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Berlusconi's Last Stand? Don't Bet on It

By Alan Friedman
International Herald Tribune

To his critics, the corruption trial of former Prime Minister Silvio Berlusconi that opened in a Milan courtroom on Wednesday is the beginning of the end.

Opponents of the media-tycoon-turned politician are convinced the trial will result in a conviction and prison

NEWS ANALYSIS

sentence. Even some of Mr. Berlusconi's close advisers admit privately that — win or lose — he is unlikely to ever seek or regain the prime minister's job and will have to be content with a role as party leader. To the man and to his fans, the trial is nothing less than a conspiracy by left-leaning prosecutors, and one that will eventually boomerang against his accusers and make the 59-year-old Mr. Berlusconi into a martyr for rightists all over Italy. "I'm the victim of a political plot," he has said repeatedly.

The truth, as always, lies somewhere between the two extremes.

Italy is, in effect, still only just past the halfway point in a long and painful period of political transition that began in 1992 when anti-corruption judges of Milan launched their campaign. And the Berlusconi trial, denounced by the principal defendant as a political show trial, is actually the quintessential symbol of Italy at the crossroads. It captures the confusion in a country that has swept away an entire generation of politicians, many of them corrupt, but is still arguing with itself over ethics, still trying to reform and renew itself,

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Silvio Berlusconi looking back at his accusers as his trial on bribery charges opened Wednesday in Milan.

Russians Rocket Captives' Village

Moscow Seems Resigned to Loss Of Hostages Held by Chechens

By Michael Specter
New York Times Service

KEMSI-YURT, Russia — Conceding that they have failed in their attempts to rescue more than 100 hostages from a small band of Chechen guerrillas in the village of Pervomayskoye near here, the Russian Army withdrew its soldiers Wednesday from the battleground and began pounding the hamlet with some of its most devastating rockets.

Faced with the mounting political implications of the weeklong hostage siege here in the Russian republic of Dagestan — and two more it has spawned in Turkey and in Chechnya itself — President Boris N. Yeltsin has decided after two days of a fierce but futile ground assaults to resort to sheer firepower to overcome the rebels.

Turkish authorities, meanwhile, shadowed the slow-moving ferry Avrasiya though stormy seas Wednesday as it headed west toward Istanbul with about half a dozen hijackers aboard and 200 passengers, mostly Russians.

Despite threats by the masked gunmen to blow up the ferry in the Bosphorus, nearly two days' sailing away, Turkey ruled out any immediate operation against the vessel.

The hijackers said they were ready to free some of their hostages. "We have decided where to leave some of the hostages, but we will announce it when we get there," a hijacker told Reuters by phone from the ferry.

In Dagestan, a spokesman for Russia's Federal Security Service said: "The Chechens are providing strong resistance. But today the operation will end. We believe the hostages are dead. And now we will destroy the bandits."

Russia's talk about its ability to dispatch the Chechen enemy has always been more optimistic than warranted. Last year, Mr. Yeltsin said it would take only days to capture Grozny, the capital of the secessionist southern republic, which for weeks saw some of the heaviest fighting in any city since the end of World War II. The city has been almost demolished.

Although as many as 40 hostages have been released in the Dagestan assault, Major General Alexander Mikhailov, a Russian security spokesman, did not give any reason for his assertion that those who remained in the village were dead. He said that the Chechens had begun to execute the hostages — but he had said that and then admitted he was wrong twice in the previous two days.

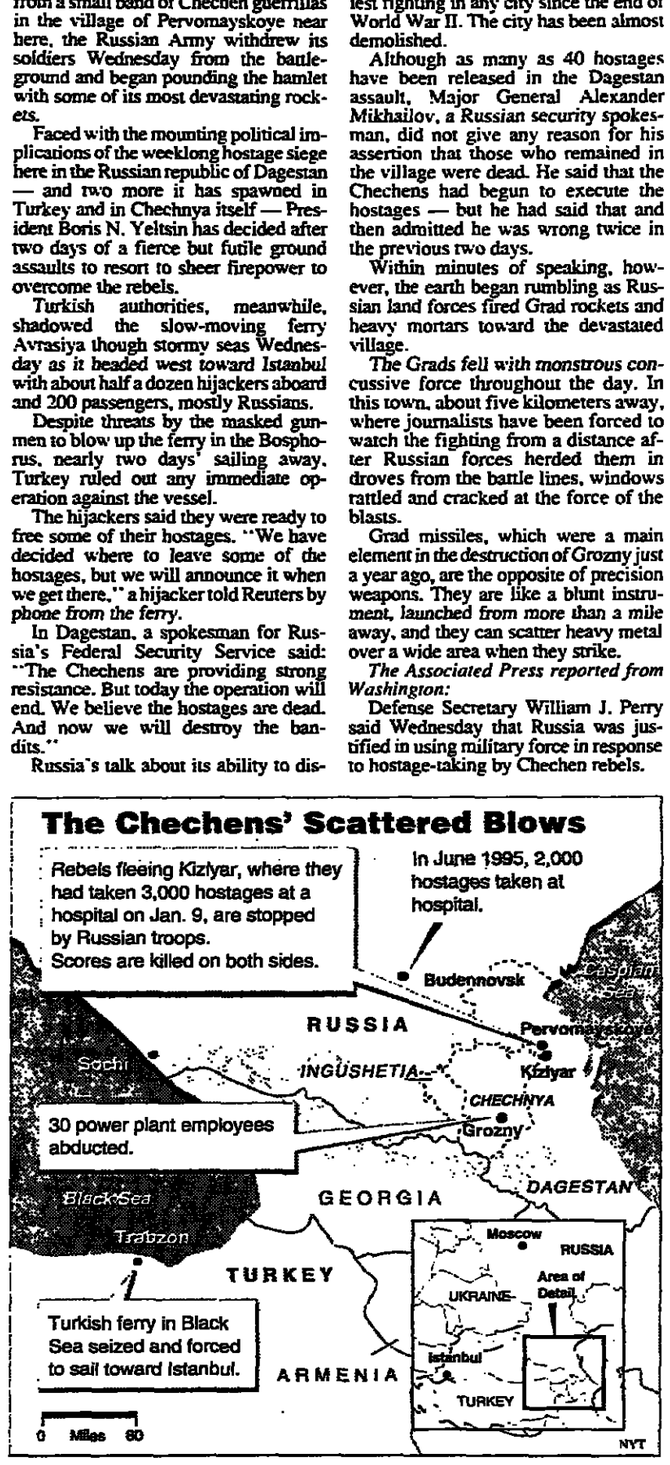
Within minutes of speaking, however, the earth began rumbling as Russian land forces fired Grad rockets and heavy mortars toward the devastated village.

The Grads fell with monstrous concussive force throughout the day. In this town, about five kilometers away, where journalists have been forced to watch the fighting from a distance after Russian forces herded them in droves from the battle lines, windows rattled and cracked at the force of the blasts.

Grad missiles, which were a main element in the destruction of Grozny just a year ago, are the opposite of precision weapons. They are like a blunt instrument, launched from more than a mile away, and they can scatter heavy metal over a wide area when they strike.

The Associated Press reported from Washington:

Defense Secretary William J. Perry said Wednesday that Russia was justified in using military force in response to hostage-taking by Chechen rebels.



Republican Panel Backs Flat Tax but Skirts Rate

By Brian Knowlton
International Herald Tribune

WASHINGTON — Calling the federal tax code a "seven million word mess," a Republican study commission on Wednesday endorsed the idea of a simplified tax code built around a single low rate, giving added impetus to an idea that is commanding increasing attention in this presidential campaign year.

The 14-member commission, led by Jack F. Kemp, a former housing secretary, did not endorse any detailed proposal for what is generally referred to as a flat tax, but it outlined principles and policies it said should form the core of a new tax code.

The panel, appointed by the Republican leaders of the House and the Senate, called for a single, low tax rate with generous personal exemptions. But it carefully stayed away from two of the more politically volatile elements of many flat-tax plans: the elimination of deductions for mortgage interest and for contributions to charities.

Such details will be crucial in determining the political and economic viability of any tax plan that might emerge. Bitter arguments over the loss of deductions by the parties most affected could chip away at the surface popularity of what its backers say would be a much fairer system.

Several of the Republican presidential candidates have supported some variation of a flat-tax plan, and one of them, the publisher Steve Forbes, has built a successful campaign around his proposal, which would set a single 17 percent tax rate.

There are now five tax brackets, from 15 percent to 39.6 percent. The Kemp report did not recommend a precise level for a single rate.

Senator Phil Gramm of Texas unveiled his own plan Tuesday, calling for a 16 percent rate.

The recent swirl of attention around the Republican proposals drew a sharp response Wednesday from the Clinton administration. Hours before the Kemp commission report was released, the notion of a flat tax was dismissed as "a bad idea whose time should never come" by the deputy Treasury secretary, Lawrence H. Summers.

He said such plans were based on "déja voodoo arithmetic," and would skew income distribution to-

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Another State-Run French Giant Deeply in Debt

By Joseph Fitchett
International Herald Tribune

PARIS — In one of the worst business catastrophes for a state-run industry of its size in France, the government disclosed Wednesday that a leading defense company — with a monopoly on tanks and artillery — was, in effect, bankrupt.

The company, Giat Industries, builds the nation's armored vehicles, including a main battle tank, the Leclerc, that France says outperforms older rivals from the United States and Germany. But Giat owes roughly 12 billion French francs ($2.4 billion), or more than twice its revenue last year of about 5 billion francs.

The loss-making company's finances worsened last year when management decided to speculate in money markets.

Many companies would have to shut their doors, but Defense Minister Charles Millon said that Giat, "despite its catastrophic finances, will not be sent into bankruptcy" and that the company would announce a plan to reorganize late next month.

Already, a parliamentary report has warned that only "a revolution" could save the company. But for the government, Giat's demise is almost unthinkable since it is the heir of a military manufacturing tradition and source of national pride dating back to Louis XIV's arsenals.

More important, letting Giat sink would trigger fresh battles with the trade unions on the heels of France's nationwide social convulsion last month.

Yet, the government cannot afford to foot the bill for another bailout of a public-sector failure, especially one whose deficit has suddenly ballooned so dramatically that it overshadows similar loss-makers such as the Crédit Lyonnais bank and the national railways. Viewed on the basis of corporate worth or number of employees — 11,500 — the Giat fiasco appears unprecedented. So, French officials said Wednesday, the government will probably resort to stopgap funding while deciding Giat's fate and exploring possible subsidies from the European Union.

The crisis could not come at a worse moment for a French government trying to regain its footing after social tensions in France's big public sector erupted last month in the worst strike wave in a

See BAILOUT, Page 8

AGENDA

U.S. Sentences 9 Muslim Militants

NEW YORK (AP) — Professing their innocence, nine followers of a blind Egyptian cleric were given stiff prison sentences Wednesday for plotting to blow up the United Nations, FBI offices, highway tunnels and other New York-area landmarks in a single day of terror in February 1993.

Sheikh Omar Abdel Rahman, the Muslim cleric who was the spiritual leader of the conspiracy, awaited sentencing later Wednesday. He faced a mandatory sentence of life in prison.

Judge Michael Mukasey came down hardest on El Sayyid Nosair, sentencing him to life in prison for his role in the bomb plot and for killing the militant Rabbi Meir Kahane in a New York hotel in 1990.

Mr. Nosair's cousin, Ibrahim A. Elgabrowny, 45, received 57 years for the conspiracy and other charges.

Seven other defendants received prison terms of 25 to 35 years.

Bosnians Win Asylum

WASHINGTON (Reuters) — The United States has agreed to accept as refugees 214 Bosnian Muslims who were held in Serbian camps under appalling conditions, and 50 of them will arrive in the country on Wednesday, the State Department said.

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Problems Dwarf China's Huge Dam

THE AMERICAS Page 3.
Hillary Clinton's Unflappable Calm

EUROPE Page 5.
Greek Race Loses a Candidate

A Tuzla family greeting a U.S. soldier Wednesday.

Bosnia: Comrades and a 'Loose Cannon'

By Rick Atkinson
Washington Post Service

UGLJEVIK, Bosnia-Herzegovina — They live in the same filthy barracks and eat the same lousy food. They inspect each other's weapons with professional curiosity, swapping war stories about Kuwait and Afghanistan and Chechnya. They trade paratrooper pins and patches while admiring snapshots of the wives and children left behind in Colorado Springs or Moscow.

Such shoulder-to-shoulder fraternity between Russian and American soldiers — comrades in squalor at this nascent base camp near the Serbian border — bolster hopes that Operation Joint Endeavor will not only impose stability on the Balkans but also forge a new strategic relationship between Russia and the West.

More than 150 Russian paratroopers have arrived in their gray fur caps with the familiar red star insignia, vanguard of a peacekeeping unit that will reach 1,600 men. Wedged between brigades of the U.S. 1st Armored Division, they have been greeted by the Americans with hail-fellow enthusiasm. As an earnest of the "one team, one fight" philosophy touted by NATO commanders, the Russians have been joined in their encampment by U.S. intelligence and communications liaison units as well as Operational Detachment Alpha 073, a nine-member Special Forces team from Fort Carson, Colorado.

Yet, lurking beneath the surface camaraderie are tensions that strain Joint Endeavor's harmony. Foremost is the unexpected appearance of a hard-line Russian major general who has ensconced himself near Ugljevik, publicly criticized the U.S. operation in Bosnia and, NATO sources say, privately questioned the mingling of Russian and American soldiers.

A senior NATO officer calls Major General Nikola

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Smart Shoppers Drive Home Argument for Euro

By John Tagliabue
New York Times Service

BRESSANONE, Italy — One reason Europe's leaders are fighting to introduce a single currency in the next couple of years is evident in Johann Lanz's car showroom in Italy.

Pointing to a blue, two-door Volkswagen Polo, Mr. Lanz said it cost the equivalent of $8,562. In Austria or Germany, a couple of hours' drive over the Brenner Pass from this northern Italian town, the same car costs about $1,250 more. The result, not surprisingly, is a steady stream of Germans and Austrians into Italy, not for pasta or sunshine, but for cars. Even as Europe moves toward adoption of the euro — the common monetary unit — its dozen-odd currencies seem headed in the opposite direction, their values drifting apart. So on a continent where high prices for everything from cold cream to cars are stifling consumption, shoppers gladly take their strong Deutsche marks and francs on the road to places where they buy more.

Such bargain-hunting has escalated lately, not just in Bressanone, snuggled under the Alps, but all over Europe. Safety standards have gradually become fairly uniform and customs barriers have fallen, meaning that moving cars across borders poses few problems.

The reimporting, in fact, often reaches the commercial scale, and automakers now complain that these car brokers are taking a significant bite out of profits. The European Commission has stepped in to investigate Volkswagen sales in Italy, but large-scale reimporting is appearing all over.

European Car, based in Paris, buys French-built cars like Renaults and Peugeots in Spain, where they are priced low because of stiff local competition. Then the owner, Alan Fournier, ships them back to France, where the cars are sold at prices well below what French car makers charge. European Car estimated its 1995 sales at 6,000 cars.

Karel Cardoen runs a similar business in Belgium. His showroom near Antwerp stocks about 1,000 reimported cars for bargain-hunters who come from nearby Germany, France and the Netherlands.

In Switzerland, shoppers flee border areas like

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Newsstand Prices

Andorra	10.00 FF	Morocco	14 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	EE 5	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Greece	350 Dr.	Tunisia	1,250 Din
Italy	2,800 Lire	Turkey	T.L. 60,000
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	US$ 1.80		

Dow Jones	Trib Index
Down 21.32	Up 0.05%
5066.90	131.76

The Dollar

New York,	Wed. close	previous close
DM	1.4705	1.4485
Pound	1.5235	1.5447
Yen	105.65	105.285
FF	5.0235	4.9625

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A Concrete Landscape/ **Resettlement and Pollution Worries**

Problems Begin to Dwarf China's Huge Dam

By Patrick E. Tyler
New York Times Service

SANDOUPING, China — From horizon to horizon, the ancient landscape here has been sundered, scored and stripped by the big steel blades of countless front-end loaders. Dust storms rise from monster truck caravans hauling a million boulders across a riven plain to the place where the Three Gorges Dam is to emerge, eventually, to mount and tame the timeless and often devastating flood of the Yangtze River.

Mountains are disappearing and a new concrete topography is rising in their place, connected in a manmade design whose foundations are being laid across a dust bowl so broad that it seems almost planetary in scale.

As soon as the river's torrent is blocked and diverted by a spectacular berm of crushed rock, legions of engineers and workers will begin installing the largest array of hydroelectric turbines and generators ever bolted to the Earth.

Thus this dream of China's Soviet-trained engineering corps, this symbol of Chinese communism's triumph — some say arrogance — over nature and economic backwardness and the bane of environmentalists is relentlessly becoming a reality.

But a year after construction began on this mammoth project in central China, serious problems are arising that underscore the politically precarious future of the world's largest dam.

Interviews with municipal officials and engineers along the 400-mile (640-kilometer) stretch of river that will swell to inundate a treasure of Chinese relics and vistas say that chronic money shortages are plaguing the resettlement of the 1.13 million people who will be displaced by the dam. This is causing serious disaffection among a population whose economic security is crucial to success of the project and the political stability of the region.

In addition, environmental engineers in Chongqing, a city of 15 million that will sit at the head of the narrow, serpentine Three Gorges Lake, say that national and local leaders have no plans to treat the 265 billion gallons a year of raw sewage and industrial waste that will flow into the impounded waters of the lake.

These engineers, who have prepared for decades to build a reservoir deep enough to bring ocean traffic 1,500 miles inland to Chongqing, accuse national authorities of shortsightedness and of misleading the public about the potential threat from the discharge of untreated industrial and municipal sewage from the dozens of cities and towns along the reservoir.

They say an environmental impact statement recently given to the U.S. Embassy in Beijing glosses over fundamental concerns about pollution that should be studied further. Such study could include models to show how the huge sewage flows will affect vital fresh water supplies and the environment, which will be critical to the survival of the tourist industry.

"I am just telling the truth," said Guo Chengmo, a senior engineer and technical adviser in Chongqing's Environmental Bureau. "There are a lot of problems that have to be solved, and I don't think the leaders are thinking that far ahead. This is my personal opinion."

The Three Gorges project managers acknowledge a host of problems for which there are no immediate solutions, most of them having to do with money, environmental threats and the impact of huge volumes of sediment that could settle in the upper lake and choke Chongqing's aspirations to become a major port upstream from Shanghai.

Patrick E. Tyler/The New York Times

Dig they must in Sandouping, China, where work on the world's largest dam — Three Gorges — continues and problems emerge.

But they are unwavering in their commitment to the project, which they say will protect millions of Chinese from disastrous floods, boost China's electrical output by 10 percent with "clean" hydro power, as opposed to coal, and will further open markets in China's interior, where nearly 400 million people live in the Yangtze watershed.

"As water resources engineers, we are proud to be involved in this project," said Yang Guowei, a leading scientist at the Yangtze River Water Resources Commission. It is the state organization of 7,000 professionals who have planned and designed every aspect of the Three Gorges Dam and reservoir.

Mr. Yang exudes the confidence of a Communist Party stalwart who not only believes in his ability to complete his mission, but also understands that Prime Minister Li Peng has muscled the Three Gorges project through party doubters and opponents to make it China's highest-priority construction project.

The project has a work force of 40,000 and an estimated cost between $17.3 billion (the official figure) and $30 billion. If completed, the dam will be an engineering marvel, conveying ocean-going vessels onto the lake through huge locks. At 610 feet (186 meters) high, it will span 6,864 feet.

Over the next 24 months, the project may well pass the point of no return, Mr. Yang asserted.

"From a technical point of view, if we block the channel," as is planned for the fourth quarter of 1997, "it would be so difficult to stop construction."

But critics say that any change in the political climate in Beijing would reopen the debate on the merits and science of the dam.

"For those of us who have spoken out and held different views, our actions have been labeled as counterrevolutionary," said Dai Qing, an influential Chinese journalist who was expelled from the Communist Party in 1989 in part because she has sought to organize Chinese scientists opposed to the dam project. "If there aren't any problems, why are they afraid of an open debate on the project?"

A lack of openness and debate appears to be one of the reasons for the more vocal challenges from Chongqing's frustrated environmental bureau. Mr. Guo, for instance, was highly critical of the government's environmental impact statement.

"Personally, and bluntly speaking, that report was very roughly done and lacks in-depth analysis," he said. "That is my opinion as an engineer." Mr. Guo's concerns and those of his colleagues in Chongqing echo the reservations expressed by Clinton administration officials last fall and by some international lending institutions, like the World Bank, which have declined to provide assistance to the dam project.

Lack of money for a host of critical projects now seems to be the principal weakness of the overall Three Gorges plan, a number of experts say.

As Mr. Guo pointed out: "Waste water processing facilities are not even on the agenda of the city government and I don't think that even for the next 10 years these facilities are going to be on the priority list."

There is also no money or plan to remove the 1,000-year-old buildup of solid wastes, garbage and such toxic materials as mercury and arsenic in the vast dumping grounds on river banks that will disappear under the flood.

Long before any pollution confronts Chinese officials, the social and financial problems of relocating such a large population have already come to the fore.

In Wanxian, a city of 300,000 where a third of the population must move to higher ground, thousands of residents who are part of the first phase of relocation have been living in tents. The local government's promise to provide jobs for farmers pushed off their lands has foundered on a shortage of capital to start construction of the chemical plant that was to employ 20,000 of them.

Meanwhile, thousands of farmers whose homes were cleared for the chemical complex are living on subsidies equivalent to $7.22 a month.

"If you get a chance to speak to the high officials, you ought to tell them that the resettlement program is not working very good," said Cheng Changhe, 28, who works for the Three Gorges Resettlement Construction Corp. in Wanxian. "When they demolished our houses, they said we would move to a new place in the same year, but then for three years there were no houses and a lot of people had to live in tents. And they still haven't solved the problem of offering jobs."

"Wanxian is only a small city," Mr. Cheng said. "If we can't solve a small number of resettlement problems here, just think about the overall project."

COMING UP

Two years after genocidal bloodletting erupted in Rwanda, the long-running conflict between Hutu and Tutsi ethnic groups in neighboring Burundi is reaching alarming proportions, say local politicians, diplomats and aid workers.

Turkish Welfare Party Lives Up to Its Name

By Celestine Bohlen
New York Times Service

KONYA, Turkey — In its campaign to win votes on the back streets of this provincial Anatolian city, Turkey's pro-Islamic Welfare Party left little to Allah and nothing to chance.

Long before last month's elections, in which this onetime fringe party made the leap to the country's principal vote-getter and earned the chance to try, as yet unsuccessfully, to form a governing coalition, its workers fanned out across Konya's neighborhoods, deployed like soldiers in an old-fashioned, big-city party machine.

In the Meram area, home to new arrivals from Turkey's fast-emptying countryside, each street has its own six-man Welfare Party team to keep a close watch on the lives of its inhabitants. The sick, the poor, births, weddings, funerals — all are grist for the regular reports sent into the party district office and on to city hall, which for the last five years has been occupied by a mayor from the Welfare Party.

Mayor Halil Urun, a civil engineer with a political manner closer to that of a ward heeler's than an Islamic fundamentalist's, takes it from there. On any given Sunday, he attends 10 to 15 weddings, greeting as many as 2,000 voters in a single day.

"If you don't say hello to people," he said, in the English he learned in the United States, "they won't vote for you."

The Welfare Party's approach is not just sound politics; it is practically revolutionary here.

While Turkey's traditional parties battled each other for ministerial portfolios in Ankara, the Welfare Party cultivated the grass roots, tapping into the widespread alienation that sent millions of Turks looking for an alternative to a political system they perceive to be inbred, corrupt and insensitive to their problems.

Mayor Urun's administration, like those of Welfare Party mayors in Istanbul, Ankara and 22 other Turkish cities, also has focused on clean streets, cheap bread, tram lines and, in its one bow to the moral code of Islam, the closing of brothels.

On Dec. 24, the Welfare Party, or Refah as it is called in Turkish, inched past Turkey's main center-right parties to capture 21.4 percent of the national vote, giving it the largest bloc in the 550-seat Parliament. In the province of Konya, the home base of Necmettin Erbakan, the party's charismatic and mercurial leader, the vote for Welfare was 43 percent, while in the city's Meram area, it won with 60 percent.

The lure of Islam is part of the party's pitch. But according to local party leaders, it is more of an appeal to a common Muslim heritage, shared by 99 percent of Turkey's 65 million people, than a call to arms against Turkey's 70-year-old secular tradition. The party leaders tend to discount Mr. Erbakan's tough anti-secular, anti-Western campaign polemics and point instead to his recent, more accommodating statements, made in the days since he was tapped by the president to put together a governing coalition.

Mr. Urun said that during the campaign, Mr. Erbakan "had to say some extremist things, but now that phase is over and our image will change."

Welfare Party leaders, here and in Ankara, are already resigned to the prospect that Mr. Erbakan's coalition-building efforts will fail, rejected by mainstream politicians who are fearful of letting Islamists get a foothold in government. And they say they are not sorry because, according to their calculations, the more months, even years, they spend in opposition, the stronger their appeal to voters disaffected by a rickety economy, with its high inflation and unemployment.

"If the other parties say they don't want to be seen with us, we will say thank you very much, and give the job back," said Abdullah Gul, deputy party chairman.

"We are not supported by big banks, big interests. We are not corrupt, we are not involved in hanky-panky, so our expectations are not personal. We can wait two to three years, and then we will be back, with a big majority."

This message is not lost on the Welfare Party's political rivals, particularly on the local level.

After sounding out the electorate in the weeks since the elections, Ahmet Alkan, a newly elected deputy from Konya for the Motherland Party, is now convinced that it would be wiser to let the Welfare Party into a government coalition than to leave them, and their supporters, out in the cold.

"There are two Turkeys," said Mr. Alkan, 42, a city planner. "The people in Ankara and the media want one thing, and the people want another. If Refah stays in opposition, they will get stronger; that is the message I got from people. And then, in the next election, we will have to give them the mandate."

TRAVEL UPDATE

Paris to Keep Its Guard Up

PARIS (Reuters) — France has scaled down a security crackdown imposed after bombings last year by suspected Algerian Muslim militants but strict controls will be maintained in Paris, an official said Wednesday.

Philippe Massoni, the city's police chief, said that 500 soldiers will augment the police assigned to guard the six Paris railroad stations, the Métro and the RER regional commuter networks.

Parking will remain banned outside of schools and nurseries, and trash receptacles in crowded areas will remain sealed, he said. Public toilets will be locked at night, and bags will continue to be checked by security guards in department stores, he added.

Chicago Airports Fogbound

CHICAGO (AP) — Dense fog caused flight delays and cancellations Wednesday morning at Chicago's two major airports.

No planes were being allowed to land at Midway Airport, and about 120 flights were canceled at O'Hare International, officials said.

The Portuguese airline TAP will be the first European carrier to fly to Macao when it starts twice-weekly service on April 2. *(AFP)*

The British government will announce the winner of a contract to build a high-speed rail link between London and the Channel tunnel "shortly," the Transport Ministry said. *(AFP)*

Doctor's Book On Mitterrand Brings Lawsuit Over Betrayal

By Barry James
International Herald Tribune

PARIS — The publication Wednesday of a book by President François Mitterrand's former physician, in which he contends the president had imposed a "reign of lies" to hide his cancer from the French public for 11 years, touched off a debate over whose was the greater fault: Mr. Mitterrand's or the doctor's.

The family of Mr. Mitterrand sued to block distribution of the book, "The Great Secret," by Dr. Claude Gubler.

The family also filed suit against "persons unknown" in an attempt to discover who took two photographs of Mr. Mitterrand after his death and sold them to the magazine Paris Match, which this week published a long excerpt from Dr. Gubler's book.

Dr. Gubler, who confirmed that Mr. Mitterrand's cancer had been detected shortly after his election in 1981, said he was aware that he had broken the doctor's oath of secrecy. But he added that Mr. Mitterrand had told him, "the story of my illness must be told one day."

"I don't think I have harmed the interests of my patient," he said.

But a lawyer for Mr. Mitterrand's family, George Kiejman, said the publication was "profoundly shocking and profoundly disappointing." The president of the French medical association also condemned the book and said he was considering sanctions against Dr. Gubler.

The newspaper Le Monde commented that in a country where the president had quasi-monarchical powers, the illness of the president and the deception had taken on a greater importance than in "more evolved democracies." It said it would be regrettable if the deception stopped President Jacques Chirac from being candid about his own health.

The newspaper asked whether the time had come for the Constitutional Council, the French equivalent of a supreme court, to be given the role of deciding if and when a president was incapacitated.

In the National Assembly, many lawmakers also condemned Dr. Gubler.

"It is absolutely scandalous that a doctor should violate the secret, because the president of the republic is better placed to know whether he is capable of running the country," said Pierre Mazeaud, a Gaullist deputy.

In his book, Dr. Gubler writes that Mr. Mitterrand was incapacitated in the final months of his presidency — a contention that was rejected by Prime Minister Alain Juppé and other members of the president's close circle.

One of the few politicians to attack the late president rather than the doctor was Jean-Marie Le Pen, leader of the extreme-right National Front. "The president has deliberately lied to the French people," he said. "No one had asked him to disclose his health. It was he who took the initiative in issuing medical bulletins that were manifestly false. I call that a confidence trick."

Struck by the web of deceit that surrounded the final illness of President George Pompidou, whose frequent disappearances because of cancer were attributed to influenza, Mr. Mitterrand had promised the French electorate "transparency" about the state of his health.

But when cancer of the prostate was diagnosed in 1981, Mr. Mitterrand told Dr. Gubler and other physicians that it was to be considered a state secret.

For the next decade, Dr. Gubler said he gave Mr. Mitterrand daily infusions of anti-cancer drugs and hormones.

He said that he went to extraordinary lengths to prevent news of the treatment from leaking out. And Mr. Mitterrand, he writes, once warned to beware of possible spying devices by pointing to the ceiling and placing a finger on his lips.

Dr. Gubler appeared stung by allegations that Mr. Mitterrand was dissatisfied with the treatment he received. He spoke with pride of keeping the president alive for 14 years after specialists said in 1981 that he might have no more than three years to live.

He suggested that Mr. Mitterrand himself may have deceived himself into thinking that the danger had passed. The president did not even consult his doctors before running for re-election in 1988, Dr. Gubler said. But in 1990, he added, Mr. Mitterrand said he was thinking of stepping down that summer for health reasons.

He asked that a medical bulletin be issued to prepare the public for the news. But Dr. Gubler said Mr. Mitterrand's aides suppressed the bulletin, and that nothing further was said as France became involved in the Gulf War.

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Antigua Ω (dedicated phone)	110	Costa Rica +	0800-0013-0123	Ireland +	1-800-55-2001	New Zealand	000-999	Syria, +	0888
Antigua Ω (pay phone)	1-800-366-4663	Croatia +✓	99-385-0113	Israel +	177-102-2727	Nicaragua (Managua)	171	Taiwan	0080-14-0877
Argentina	00-1-800-777-1111	Cyprus ✓	080-900-01	Italy +	172-1877	Norway +	800-19877	Thailand ✓	001-999-13-877
Aruba	800-8870	Czech Republic +✓	0042-087-187	Jamaica (hotels)	875	Panama	115	Turkey +	00-800-1-4477
Australia (Optus) +	1-800-3511-10	Dominican Republic Δ	1166◆877	Jamaica (airports/docks)	5	Peru ✓	176	U.S. Virgin Islands	1-800-877-8000
Australia (Telstra) +	1-800-881-877	Ecuador ✓	999-171	Jamaica (all other)	0800-877-8000	Philippines (ETPI station only) ◇	105-01	U.S.A.	1-800-877-8000
Austria	022-903-014	Egypt (Cairo) +	356-4777	Japan (IDC) +	0066-55-877	Philippines (PLDT) Δ	105-611	Ukraine	8-100-13
Bahamas +	1-800-389-2111	El Salvador	800-1776	Japan (IDC) +	0039-131	Philippines (PLDT)	105-16	United Arab Emirates +	800-121
Bahrain	800-777	Fiji Islands	004-890-100-3	Jordan	18-800-777	Poland +	00104-800-115	United Kingdom (BT)	0800-89-0877
Barbados Δ	1-800-877-8000	Finland +	9800-1-0284	Kenya ✓	0800-12	Portugal +	05017-1-877	United Kingdom (Mercury)	0500-89-0877
Belgium +	0800-10014	France +	19◆0087	Korea ‡	550-FONE	Puerto Rico	1-800-877-8000	Vatican City +	172-1877
Belize (hotels)	556	Germany +	0130-0013	Korea (Taconet) +	0039-81	Romania +	01-800-0877	Venezuela	800-1111-0
Belize ◇	812	Greece +	008-001-411	Korea (IDC) ◆◆	009-16	Russia (Moscow) +	155-4133	Vietnam (calling centers)	1201-1311
Bermuda ✓	1-800-623-0877	Guam	950-1366	Liechtenstein +	155-0777	Russia (all other) +	8◆10◆197		
Bolivia	0800-3333	Guatemala +	195	Lithuania ✓	0800-0115	Saipan	8095-155-6123		
Brazil	000-8016	Honduras Δ	121	Luxembourg	0800-121	Saipan (Tinian and Rota) +	235-0033		
British Virgin Islands Δ	1-800-877-8000	Hong Kong	800-1877	Macau	800-0016	San Marino +	1-235-0283		
Bulgaria Δ	00-800-1010	Hong Kong Δ	011	Malaysia +	95-800-877-8000	Saudi Arabia	172-1877		
Canada	1-800-877-8000	Hungary +✓	00◆800-01-877	Mexico +	19◆0087	Singapore +	1800-15		
Cayman Islands	1-800-366-4663	Iceland +	800-9002	Monaco +	06-022-9119	Slovak Republic +✓	8000-177-177		
Chile	00◆0217	India +	000-127	Netherlands +		South Africa +	0042-087-187		
China +✓	108-13	Indonesia (selected)	001-801-15	Netherlands Antilles (Curaçao & Bonaire) +	001-800-745-1111	Spain	0-800-99-0068		
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THE AMERICAS

Hillary Clinton: An Unflappable Calm in the Storm

By Lloyd Grove
Washington Post Service

WASHINGTON — This is how it is different from the last big crisis. On the "Today" show Tuesday morning, she was wearing a golden eagle, the talons wrapped tightly around a pearl. It seemed to be a sign of just how seriously Hillary Rodham Clinton was taking her current travail, as she answered questions from Maria Shriver of NBC about her conduct as a lawyer and as first lady. "Are you disappointed in yourself?" Ms. Shriver asked, and the eagle glinted in the TV lights.

Four years ago, at the height of the Gennifer Flowers controversy — the last public crucible she endured — Mrs. Clinton wore angel's wings, a gift from a Little Rock friend. "My guardian angel," Mrs. Clinton called it at the time, when she was wearing it day after day and defending her husband's character amid a barrage of wounding attacks alleging that he had had an affair with Ms. Flowers.

Now, in the middle of what was supposed to have been a book tour, she finds herself defending her own character — and something with claws is appropriate to the occasion. "No, I don't have anything to be disappointed in," she answered Ms. Shriver coolly.

The most striking thing about the first lady's appearances on television and radio in recent days — opposite the likes of Barbara Walters on ABC's "20/20" and Scott Simon on National Public Radio — is her aura of unflappable calm. It surrounds her like a fortress as she takes the incoming fire.

Under pressure that would make most mortals sweat and squirm — or, more likely, run shrieking out of camera range — she maintains the level gaze of a litigator, the unhurried cadence of a judge.

"She has got the same set of responses, and she delivers them very effectively," according to an expert on political discourse, Kathleen Hall Jamieson, who is dean of the Annenberg School of Communications at the University of Pennsylvania. "I hadn't realized until her radio interviews how effective Hillary Clinton is on radio. She speaks slowly. She sounds empathic. She sounds sincere. I don't know why that surprised me, but it did."

Mrs. Jamieson added: "When people asked very tough, sharp questions, she was able to stay very calm and continue to sound as if she was unruffled. I assume that if I were asked those questions, I would fall apart."

Mrs. Clinton is, by turns, combative, dismissive and self-justifying, sometimes all at once, as when she talked to Mr. Simon about William Safire, the New York Times columnist who had called her an unpleasant name: "I don't take what Mr. Safire says very seriously. As you pointed out, I was working for the committee that impeached President Nixon, for whom Mr. Safire worked and, as best I can tell, is still working. In fact, my mother took some offense, because being called a 'congenital liar' seems to reflect badly on her and my late father."

But she never makes apologies, not even for various unidentified "mistakes" she has acknowledged in recent interviews.

"I don't know if an apology at this point would do much good," said Leslee Dart, co-owner of PMK Inc., a public relations powerhouse.

"Maybe in the beginning a mea culpa might have been effective," said Ms. Dart, an avowed admirer of the first lady. "But there have been too many stupid mistakes, like haircuts on airplanes, and I don't think the Republicans and the public would let her off. It's like the little child who keeps talking back to his mother, saying, 'I'm sorry, I won't ever do that again.' After 25 times, it doesn't work anymore. They made so many dumb mistakes at the beginning, particularly Whitewater, that the enemy is likely to take an apology completely out of context and use it as a weapon."

The only option Mrs. Clinton really has, Ms. Dart said, "is keep a stiff upper lip, take it on the chin and keep going." This she seems to be doing.

Every so often in recent days Mrs. Clinton has leavened her steely performance with laughter — sometimes, said Mrs. Jamieson, to jarring effect.

On Monday, when Diane Rehm, the talk show hostess on raadio station WAMU-FM, pressed her to say if she was really considering testifying before Congress about her conduct, Mrs. Clinton chuckled and said, "I'm considering everything, including going to the South Pole."

Mrs. Clinton, with her golden eagle pin, has shown poise under intense scrutiny.

Away From Politics

- **The tail stairwell door on a TWA passenger jet dropped open during flight, and a crew member tied to a rope pulled the hatch closed. The plane landed safely in San Antonio, Texas. No one was injured.** *(AP)*
- **NASA gave the Endeavour spacewalker Winston Scott the big chill, having him stand motionless in the supercold darkness of space to test thermal improvements to spacesuits. He said he felt cool, but "not uncomfortable."** *(AP)*
- **The forewoman and another juror who voted to acquit O.J. Simpson of murder said they likely would decide against him if they were on a civil jury, where the burden of proof is lighter.** *(AP)*
- **Passive smoking, previously linked to heart trouble in older adults, has now been shown to affect young people, according to a study in the New England Journal of Medicine, which attributed vacations in the internal diameter of an artery located under the arm to exposure to smoke.** *(AFP)*
- **San Francisco's prosecutor is refusing to charge offenders with nonviolent crimes, such as drug offenses, under the state's tough three- strike law, in which a third felony conviction is punishable by 25 years to life in prison.** *(AP)*

Republicans Call Off Clinton Budget Session

Compiled by Our Staff From Dispatches

WASHINGTON — Negotiations between President Bill Clinton and Republican congressional leaders on a balanced budget broke down Wednesday when the Republicans abruptly canceled planned talks and demanded that Mr. Clinton submit a new offer.

But a White House spokesman said that the president already had shown flexibility and questioned whether an administration counteroffer would lead to progress.

The House speaker, Newt Gingrich; the Senate Republican leader, Bob Dole, and the House Republican leader, Richard K. Armey, informed Mr. Clinton of their decision in a 40-minute phone call after a long, closed-door Republican strategy session.

The three Republican leaders said in a statement that they had told Mr. Clinton they were prepared to resume talks with him "once he proposes a firm budget offer that moves in the direction of the bipartisan common ground our proposals have established."

The White House press secretary, Michael McCurry, said that Mr. Clinton was "disappointed" and maintained that the budget process "is not dead," but he conceded that its vital signs are "very faint."

"We were ready to go to work to make progress," Mr. McCurry added. "That apparently is not going to happen."

Mr. Clinton had offered a plan that would balance the budget by 2002, but the Republicans said it did not go far enough to meet their demands for trimming spending on social programs, turning more power over to the states and cutting taxes. *(Reuters, AP)*

Forbes Is Making Money Talk in Iowa

Based on Ads, His Gains Are Confounding Tradition

By Elizabeth Kolbert
New York Times Service

DES MOINES, Iowa — In the last several months, Republican presidential candidates have been waging the longest and costliest media battle in Iowa caucus history. Instead of starting after the New Year, as they have in the past, some candidates this time began advertising way back in July.

And in recent weeks, Steve Forbes, the magazine publisher, has by virtue of advertising alone managed to fight his way into second place in the public opinion polls, behind Senator Bob Dole of Kansas. Mr. Forbes has almost no organization in the state and according to legend, organization is everything in the Iowa caucuses.

"All the evidence I've seen indicates that Iowa's becoming much more a media event," said Bill Mayer, a professor of political science at Northeastern University who has studied presidential caucuses.

"And if Forbes does really well, it does away with the myth that you need organization in Iowa," Professor Mayer added.

Keith Uhl, a Des Moines lawyer who has worked on several presidential campaigns, said, "I think it's been gradually changing, and it's truly changed this time."

There are still plenty of people, a good number of them Iowans, who maintain that nothing has changed. Advertising, this group says, can never replace personal contact as the way to pull voters out to the caucuses, which this year are Feb. 12.

"This is retail politics," said Harlan D. Hockenberg, a Des Moines lawyer who was active in Ronald Reagan's campaigns. "I don't think anything materially has changed about the attitude of the voters or how you reach them."

Many Iowans also note that the flip side of a strong showing by Mr. Forbes that challenges the notion that organization counts would be a weak showing by him that bolsters it.

And they argue that the Forbes campaign is more an anomaly than an indication of any trend, because very few candidates have Mr. Forbes's great personal wealth.

Since Mr. Forbes is spending his own money and not taking any federal matching funds, he is not subject to the state-by-state spending limits that constrain other candidates' advertising.

In Iowa, the spending limit is $1 million. The Forbes campaign has refused to say how much it is spending here, but rival campaigns estimate the figure at close to $2 million.

"Forbes is trying to reinvent the way you win the Iowa caucuses," said Brian Kennedy, chairman of Iowa's Republican Party. "But there's a structural impediment to anybody repeating that. There are just not that many billionaires."

Organization traditionally has counted for so much in Iowa because of the nature of the procedure here.

Elsewhere in the United States, primaries are like general elections. Voters go to their neighborhood polling place during the day and cast their ballots in the privacy of the voting booth.

In the Iowa caucuses, registered party members get together at a meeting place at the precinct level for a number of hours of discussion and voting, perhaps a series of votes, all in the open. The caucuses tend to attract the more committed voters.

Those Iowans who maintain that organization is crucial often cite 1988 as proof. The surprise of the Republican caucuses that year was the unexpectedly strong showing by Pat Robertson, which was attributed almost entirely to his vigorous support among local Christian conservatives.

This time around, advertising in Iowa began with unprecedentedly early purchases of television time during the summer by two Republicans, former Governor Lamar Alexander of Tennessee and Morry Taylor, a businessman.

Hugh Winebrenner, dean of the College of Business and Public Administration at Drake University and an expert on the Iowa primaries, was so struck by the amount of advertising this year that he decided to see how it compared with previous election cycles.

Since there are no central records of how much money candidates spent on advertising in the state, he looked at the books of just one Iowa television station, WHO, the Des Moines NBC affiliate.

In 1988, he found, candidates for both the Democratic and Republican nominations spent a total of $189,000 at WHO, all of it after Jan. 1. This time, candidates for the Republican nomination had spent $281,000 just through the end of December. And the Iowa Democratic Party had spent $64,000 on advertisements touting President Bill Clinton's budget.

Even accounting for inflation, Mr. Winebrenner said, "there is much more television money being spent." He quickly added that he did not think advertising alone could overcome organizational deficiencies.

"If you look at this historically, no candidate has ever done well in Iowa without an organization," he said.

According to many neutral observers, Mr. Dole has the most formidable organization in Iowa, followed by Senator Phil Gramm of Texas.

POLITICAL NOTES

Forbes Gets the Treatment in N.Y.

ALBANY, New York — The presidential campaign of Senator Bob Dole of Kansas has asserted that aides to Steve Forbes, the multimillionaire publisher who has established himself in recent polls as Mr. Dole's most serious challenger, had engaged in widespread fraud in his effort to enter New York's Republican primary.

Trying to force Mr. Forbes off the March 7 ballot, the Dole campaign contended in court papers on Tuesday that Forbes workers in New York City had doctored petitions to make it appear that they had collected enough signatures to meet the party's requirements for running in the primary.

By going to court, the Dole campaign was turning to a tactic that front-runners have long used to ward off competition in Republican primaries in New York.

The strategy involves proving that other candidates have not abided by entrance rules that are the most formidable in the nation — a maze of do's and don't's that critics have assailed as undemocratic.

The Forbes campaign quickly denied the accusations, responding that Mr. Dole's lawyers, working in tandem with the state's Republican leadership, wanted to clear away any competition in the primary.

Even before the accusations Tuesday, the Dole campaign had succeeded in scaring off several other candidates with threats of the kind of legal action it has taken against Mr. Forbes and another candidate, Patrick Buchanan.

The other candidates pulled out after announcing that they did not have the money to comply with the rules and then withstand the inevitable court challenges. *(NYT)*

Living and Dying by the Polls

WASHINGTON — Recent polls show that President Bill Clinton holds an edge of 5 to 10 percentage points over Senator Bob Dole, his likely presidential challenger. They also show each has serious problems.

Half a dozen polls this year have produced some conflicting data, perhaps indicating the volatility of public opinion as Mr. Clinton battles the Republicans in Congress over a balanced budget.

But Mr. Clinton's approval ratings generally hover in the high 40s or low 50s, while his disapproval level is stuck in the mid-40 range.

"The president's supporters are less angry with him than they were. He has solidified his base and brought down his negatives slightly," said Paul Wilson, a Republican strategist who has worked on presidential campaigns.

Mr. Dole leads eight other Republicans battling for the nomination to face Mr. Clinton in November. But he still lags behind the president in most one-on-one trial matchups, and his disapproval ratings are just as high. Political activists all over the country suggest Mr. Dole's support is broad but not particularly deep. *(Reuters)*

Buchanan's Louisiana Hayride

BATON ROUGE, Louisiana — Patrick Buchanan, a candidate for the Republican presidential nomination, says he will follow the lead of Louisiana's governor and push to abolish affirmative action and set-aside programs in federal government.

"I stand squarely behind Mike Foster and his decision to end such programs in Louisiana," Mr. Buchanan said Wednesday. "I believe in equal justice for all and special privilege for none."

Mr. Foster announced last week that he would fulfill a campaign promise and issue an executive order to end such programs in state government. *(AP)*

Quote / Unquote

Lawrence H. Summers, the deputy Treasury secretary, on proposals for a flat tax: "There's a lot of déja voodoo arithmetic there in those low rates. That 17 percent rate would add to the deficit more than a trillion dollars over the next seven years. That's more than all that's at stake in the current budget debate." *(Reuters)*

Barbara Jordan Dies at 59, Congresswoman From Texas

The Associated Press

AUSTIN, Texas — Barbara Jordan, the former congresswoman whose ringing voice and unshakable faith in the U.S. Constitution inspired the nation during the Watergate impeachment hearings, died Wednesday. She was 59.

Ms. Jordan, the first black elected to Congress from the South since Reconstruction, had been ill for several years, suffering from multiple sclerosis.

Once considered a possible vice presidential candidate, Ms. Jordan left politics after three terms in the House, choosing to teach instead. Shunning the limelight, she devoted her energies to students, who fondly called her "B.J."

Her death was confirmed by a spokesman at the Lyndon B. Johnson School of Public Affairs at the University of Texas, where she began teaching in 1979.

The daughter of a Baptist minister, Ms. Jordan became a state senator in 1966, the first black to serve there. She was elected to Congress six years later and retired in 1978.

Former Representative Peter Rodino, who was chairman of the House Judiciary Committee, later recalled his first meeting with her. "She came in to see me, I'll never forget, opened her mouth, spoke a few words, and I remember thinking, 'This is a woman I certainly want on this committee.' "

It was during the committee's 1974 hearings on whether to impeach President Richard Nixon that Ms. Jordan won a national reputation.

"The gentle lady from Texas," as Mr. Rodino called her, stirred television audiences across the country when she declared: "My faith in the constitution is whole. It is complete. It is total."

She went on to give a stirring keynote address at the 1976 Democratic National Convention, which nominated Jimmy Carter.

Ms. Jordan was born in Houston in 1936. She graduated with honors from Texas Southern University, where she was a member of a debating team that defeated Harvard. She studied law at Boston University.

She practiced law in Houston and got her start in politics licking stamps in the Kennedy-Johnson campaign of 1960.

"I had a law degree but no practice, so I went down to Harris County Democratic headquarters and asked them what I could do," she once recalled.

"They put me to work licking stamps and addressing envelopes.

"One night we went out to a church to enlist Negro voters and the woman who was supposed to speak didn't show up. I volunteered to speak in her place and right after that, they took me off licking and addressing."

Mexican Drug Lord's Arrest Is Minimized

By Sam Dillon
New York Times Service

MEXICO CITY — For years, Juan García Abrego, one of Mexico's billionaire drug traffickers, had operated freely, shielded in his stronghold south of the Texas border by a private army and by millions of dollars in monthly bribes, officials on both sides of the border said.

So, moments after his arrest Sunday, his first reaction was defiant: He spat out an obscene phrase at the police that meant, roughly, "You'll get yours for messing with me."

But Monday, when he boarded the plane that brought him to the United States for trial on charges of drug trafficking and money laundering, he grew desperate.

"Where are you taking me?" he begged police, the realization dawning that his impunity had ended. "What are you going to do with me?"

The government is portraying his arrest as an early trophy in a scorched-earth campaign by President Ernesto Zedillo against "crime, corruption and impunity."

But academics, journalists and opposition politicians, while granting that the arrest and expulsion were important achievements and the fruit of patient detective work, argued that they were just as much the result of Mr. Zedillo's decision to mollify the United States.

Other narcotics lords will continue to enjoy the impunity of which Mr. García Abrego was so suddenly stripped, the analysts said, and the river of drugs flowing into the United States from Mexico will continue unhampered. As recently as a year ago, rival Mexican traffickers with their own armies and payrolls of government officials had begun to eclipse Mr. García Abrego, they said.

"Every administration has its favorite trafficker," said Peter Lupsha, a University of New Mexico professor who studies the drug trade. "García Abrego was the favorite of the last administration. This administration has a new favorite."

The arrest, the most significant law-enforcement action of Mr. Zedillo's 13-month tenure, has given the president a public-relations boost. His government has received congratulations not only from a chorus of Mexican lawmakers, radio hosts and television newscasters but also from the State Department and the White House.

Mexico's last president, Carlos Salinas de Gortari, enjoyed similar acclaim in 1989 — also just a little more than a year into his administration — when he sent soldiers to arrest Miguel Angel Felix Gallardo, then Mexico's drug kingpin. U.S. officials, who had been seeking his arrest since 1985 when Mr. Felix Gallardo was accused of being involved in the killing of a U.S. drug agent, heaped praise on Mexico's anti-drug commitment.

One of those celebrating that 1989 arrest was Mr. García Abrego, then just consolidating a cocaine organization that ultimately would exercise more influence in Mexican officialdom than Mr. Felix Gallardo ever enjoyed. As a result, since at least 1990, U.S. officials have been pressing Mexico to arrest Mr. García Abrego.

During the Salinas administration he proved untouchable. His wealth and power became so enormous that last March, four months into the Zedillo administration, he became the first international trafficker ever included on the Federal Bureau of Investigation's most-wanted list.

Now many Mexicans suspect that the timing of his arrest was more the result of political expediency than of gumshoe work.

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THE WORLD'S DAILY NEWSPAPER

ASIA

Jiang's Word to Cadres: Mend Corrupt Ways, or Else

Reuters

BEIJING — China's Communist Party chief, Jiang Zemin, launched a searing attack Wednesday on senior officials who turn a deaf ear to Deng Xiaoping's instructions and jeopardize party rule by succumbing to corruption.

Mr. Jiang told party leaders to stop enjoying themselves at nightclubs, dance halls and expensive places of entertainment and to return to the puritan way of life recommended by Mao Zedong.

His comments, carried on the front page of the party organ, People's Daily, were part of an address delivered by the party chief and state president at a closed meeting of the party Central Committee in September.

Other parts of the speech were published earlier.

That meeting decided to dismiss Chen Xitong, the former Beijing city party chief, from the 17-member Politburo. Mr. Chen was the most senior official to be purged for corruption since Mao announced the Communist takeover in 1949.

"Obviously they felt they needed to put out a general word of warning to errant cadres, whoever they may be, to mend their ways in terms of corrupt practice and think about political responsibilities," a Western diplomat said of the new attack.

The publication of Mr. Jiang's warning appeared to indicate that Chen Xitong's disgrace had failed to frighten other senior officials into mending their ways, he said.

"Most of our cadres are good but there are a small number, including some high-ranking officials, who turn a deaf ear to the warnings of comrade Deng Xiaoping and of the party," Mr. Jiang said.

Cadres who ignored official warnings to conform to party probity could even precipitate the Communist government's collapse, Mr. Jiang warned.

"If our party doesn't pay attention to this trend and firmly stop this wind, our party and state may have to face the problem of 'a change of face'," he said. "And this is not merely alarmist talk."

Mr. Jiang has warned repeatedly that corruption is a virus that threatens the party's 46-year grip on absolute power.

"Some of the things that the masses can do, our leading cadres cannot do," Mr. Jiang said, adding that banned activities included going to nightclubs and dance halls.

Abuse of power and corruption by officials taking advantage of loopholes opened by economic reform since 1979 have set off widespread popular anger. Many people cite corruption as China's worst problem.

"Now there are some officials who rise in the ranks, obtain power and then relax demands on themselves," Mr. Jiang said.

"When someone's power is great, the number of people supervising him is smaller and the number of people using him is bigger."

Graft investigators in China say that Mr. Chen's fall — following the suicide of the Beijing deputy mayor, Wang Baosen, amid corruption allegations — crowned a year of achievements in 1995, but that much work remains to be done to expose corruption and crack major cases.

The threat was not only from within, said Mr. Jiang, quoting liberally from the speeches of his patron, Mr. Deng.

"We must be clear-minded on political issues," he said.

"Western hostile forces want to 'Westernize' and divide us. They want to impose their 'democracy' and 'freedom' on us. So how can we ignore political issues?"

A diplomat said that Mr. Jiang was using the support of his most powerful political backer to rally party unity and stave off potential challenges to his position as Mr. Deng's heir apparent.

"This is related to worries about corruption in particular and about the future in general," he said.

Mr. Deng, 91, has not been seen in public since January 1994. There have been frequent rumors that his health is fragile and concerns about a succession struggle after he dies.

China May Put 6,000 Soldiers Of Elite Unit In Hong Kong

Agence France-Presse

HONG KONG — China will station 6,000 People's Liberation Army troops in Hong Kong after the territory reverts to Chinese sovereignty in July 1997, it was reported Wednesday.

They will be chosen from China's 42d Army Group, part of the Central Red Army and considered one of the country's most prestigious units, the Hongkong Standard said in a report quoting Chinese Army sources.

China has not yet officially disclosed how many troops it intends to deploy in Hong Kong after the handover, but preparations are under way in the neighboring Chinese cities of Guangzhou and Shenzhen to train personnel for the mission.

The newspaper said the garrison would be maintained at about 6,000, below peak British troop strength. One reason for keeping the garrison small is the high cost to the Chinese central government of the operation.

"This is to show our sovereignty over Hong Kong, not to take part in battles," a Chinese Army source was quoted by the Hongkong Standard as saying.

Small navy and air force units will complete the Hong Kong garrison, probably under the command of Major General Liu Zhenwu, who is already in charge of their selection and training.

The daily said about 2,000 other troops would be based in Shenzhen at the border with Hong Kong for rotation and replacement.

The Hong Kong garrison will be under the direct command of the Central Military Commission but will report to the Guangzhou military area command.

China and Britain reached agreement Tuesday on the handover of documents and plans for the territory's 14 defense sites.

British officials said a small number of Chinese troops would be in the territory to prepare the defense sites before the handover to China.

A Beijing government spokesman, meanwhile, said Wednesday that China had agreed to legislation that would maintain the ban on biological weapons in Hong Kong after the colony reverts to Chinese control.

China Raises Security Issue

Attachés Spied on 2 Bases, It Asserts

By Steven Mufson
Washington Post Service

ZIBO, China — The Chinese government said Wednesday that American and Japanese air force attachés accused of spying had "seriously encroached upon China's sovereignty and compromised the national security of China."

China also made public new details about its allegations against the two officers, Lieutenant Colonel Bradley Gerdes and Colonel Kenji Maetani, saying that they had been detained twice before China demanded their withdrawal.

On Jan. 8, the two attachés were stopped near a military area on Hainan Island off the southern tip of China. Chinese authorities confiscated photo film and videotapes, according to comments by a Foreign Ministry spokesman, Shen Guofang, reported by the official Xinhua press agency.

On Jan. 11, they were stopped after they allegedly "sneaked" into a military airport near Zhanjiang City in Guangdong Province.

Mr. Shen said Wednesday that the actions by Colonel Gerdes and Colonel Maetani "were deliberate and premeditated" and were "entirely incompatible with their status as diplomats. The official Chinese press agency said that both men had "confessed their guilt."

Though the State Department denied that the U.S. attaché had trespassed on any restricted military zones, the Japanese government said Wednesday that the two men had unintentionally strayed into a restricted area and said it would withdraw its officer.

A spokesman for the Japanese Foreign Ministry, Hiroshi Hashimoto, said that Colonel Maetani and Colonel Gerdes were riding in a taxi in Suixi, a town near China's southern port of Zhanjiang, with a Chinese driver at the wheel. It was not clear whether the driver made a mistake or if he had been asked to drive into the facility.

The State Department said that Chinese authorities had approved Colonel Gerdes's mission in Suixi and that his detention was illegal. Spokesmen for the Japanese Foreign Ministry would not comment on whether Colonel Maetani had been authorized to be in the area.

"It is quite regrettable such an incident has occurred," a Japanese government spokesman said.

Mr. Hashimoto said that Japan, like the United States, had lodged a protest with China over the detention and questioning of its attaché, which he said violated international conventions governing the treatment of diplomats.

Diplomats and former diplomats said that military attachés in China were expected to obtain firsthand knowledge of what went on around air bases.

"The incident seems to reflect both the rising assertiveness of the Ministry of State Security and the increased sensitivity of military deployments and activities in coastal regions, given the mainland's escalating confrontation with Taiwan," said Charles W. Freeman, a veteran China expert who was a senior Defense Department official earlier in the Clinton administration.

Some U.S. military experts were puzzled that the U.S. Embassy had dispatched an air force attaché to gather intelligence that could probably have been obtained through satellites or other means. One said that teaming U.S. and Japanese attachés would also fuel Chinese fears that foreign powers were working together to contain China.

"Sending an attaché on this particular mission was a poorly calculated decision," one expert said.

The South China Fleet operates out of Zhanjiang and has responsibilities for protecting China's claim to the Spratly Islands.

Sunil Malhotra/Reuters

Mr. Advani at an opposition rally on Wednesday in New Delhi held to protest corruption charges.

In Kobe, Incense and Bells Mark Killer Quake of '95

Compiled by Our Staff From Dispatches

KOBE, Japan — Residents of the Japanese port city of Kobe huddled together against the dawn cold in temples and parks Wednesday to commemorate the first anniversary of the earthquake that killed more than 6,300 people.

They were joined by Japan's new prime minister, Ryutaro Hashimoto, who vowed that a 21st-century metropolis would emerge from the debris of the quake.

"It is incumbent on Japan to learn the lessons of last year's earthquake and construct a broad-ranging disaster relief policy to put at ease people worried the same thing can happen again," Mr. Hashimoto also said during a memorial service.

National television broadcast ceremonies that marked the moment — 5:46 A.M. last Jan. 17 — when the tremor ripped Kobe, one of Japan's most cosmopolitan cities.

Buddhist monks could be seen in several parts of the city as they performed rites at various ceremonies marking the anniversary of the most destructive quake to hit Japan in 72 years. At temples, churches, government offices, outdoor markets, parks and on streets still marred by the tragedy, bells rang to remember the dead.

The smell of tens of thousands of incense sticks drifted across the city.

"This is a city of black today," said a taxi driver, Yasunori Shimaga, referring to mourning dress.

For the first time in a year, the sound of reconstruction fell silent as workers downed tools for a few minutes at 5:46 A.M. But then it resumed as the city got on with life.

When the earthquake struck, 3,266 people were killed immediately and 1,397 died in the next six hours.

The official final death toll was 6,336, with 34,900 injured.

Nine bodies remain unidentified.

Authorities estimate damage at 9.9 trillion yen ($94.2 billion) and say the city's population has dropped by nearly 300,000 to just over one million. *(Reuters, AP)*

2 More Officials Quit In India Bribe Affair

Compiled by Our Staff From Dispatches

NEW DELHI — Two more Indian cabinet ministers resigned Wednesday in connection with an $18 million bribery scandal.

Local news agencies said Madhavrao Scindia, minister of human resource development, and Vidya Charan Shukla, minister of parliamentary affairs, were among the senior politicians targeted by federal police in their investigation of the affair. Agriculture Minister Balram Jakhar, also a subject of the inquiry, resigned earlier.

The Central Bureau of Investigation also charged six former cabinet ministers in connection with the scandal.

The three ministers who resigned pleaded not guilty to the charges.

"There will be others," a federal police spokesman said when asked if charges would be pressed against other politicians. "The investigation will continue."

Analysts said Wednesday that the scandal could actually benefit Prime Minister P.V. Narasimha Rao in the April general election.

For years, opposition parties have accused Mr. Rao of ignoring widespread corruption in India, especially in his Congress (I) Party.

The largest opposition group, the Hindu nationalist Bharatiya Janata Party, had planned to make corruption a major issue in the election but the party's leader, L.K. Advani, is among those accused.

Analysts said Mr. Rao also could use the scandal to portray himself as a corruption fighter who supported the four-year-old bribery investigation even after learning it would implicate some of his cabinet ministers.

"If anything, this will improve the credibility of the government," said Nikhil Chakravarthy, a political commentator.

"The government has long been charged with taking no notice of corruption," he said. "This is the first time that Rao is showing he will take action."

Nani Palkivala, another analyst, said Mr. Rao would benefit because the investigation tarnished the image of opposition politicians whose cases will not be tried until long after the election.

"I have a feeling that this is an exercise in political gimmickry," Mr. Palkivala said.

The corruption charges stem from a complicated case involving money transfers from India.

All foreign currency transactions are tightly regulated by the government. Operators in the black market offer higher rates than banks for U.S. and British currencies, but they charge a hefty commission for converting Indian rupees into those currencies.

The illegal transactions, known as *"hawala"* in Hindi, often are the vehicle for smuggling illegally obtained wealth for investment outside India. *(Reuters, AP)*

BRIEFLY

Chun Fights Constitutionality Of Law Enacted to Punish Him

SEOUL — Former President Chun Doo Hwan, who has been charged with mutiny, on Wednesday formally challenged the constitutional validity of a special law enacted to punish him and his former aides.

An official at the Seoul District Court said Mr. Chun's lawyers filed an appeal with the court, requesting that it determine whether the special law violated the constitutional prohibition of retroactive legislation.

Last month, Parliament passed the law ordered by President Kim Young Sam to punish his two predecessors, Mr. Chun and Roh Tae Woo, for leading a military crackdown on a civil pro-democracy revolt in the city of Kwangju in May 1980, which killed about 200 people.

The law made possible the prosecution of Mr. Chun and Mr. Roh by adjusting the 15-year statute of limitations to exclude their terms as heads of state. *(Reuters, AP)*

2d Trial Set for Daewoo Chief

SEOUL — The chairman of South Korea's giant Daewoo Group will stand trial Jan. 26 on charges of offering bribes to win defense contracts during the administration of President Roh Tae Woo, a court official said Wednesday.

The chairman, Kim Woo Choong, was indicted last month on charges that he gave Mr. Roh's chief aide for security and foreign affairs, Kim Chong Hwi, the equivalent of $63,000 in return for favors.

The court official said Kim Chong Hwi would stand trial next week along with the Daewoo chairman, who is already on trial on graft charges.

VOICES From Asia

Peng Ming-min, a Taiwanese presidential candidate of the opposition Democratic Progressive Party: "Taiwan has enough military muscle to defend itself. Its army has been trained to counterattack China." *(Reuters)*

Romeo Capulong, one of the lawyers representing 5,000 claimants to the fortune of the late Filipino dictator, Ferdinand Marcos, estimated at nearly $500 million: "We will certainly oppose, repudiate the agreement and bring our objections before the federal court in Honolulu if there is no reasonable accord." *(Reuters)*

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EUROPE

Lawmaker Drops Effort To Succeed Papandreou

The Associated Press

ATHENS — The race to succeed Andreas Papandreou as the leader of Greece thinned out Wednesday when one of the five candidates dropped out.

The president of Parliament, Apostolos Kaklamanis, said he would not be a candidate when Mr. Papandreou's party, the Panhellenic Socialist Movement, votes Thursday to pick a new prime minister.

"Instead of getting a couple dozen votes I would rather withdraw," he said.

He made the announcement at a meeting of the party's central committee, which met to discuss the vote.

Mr. Papandreou, 76, resigned Monday, saying his failing health did not allow him to govern.

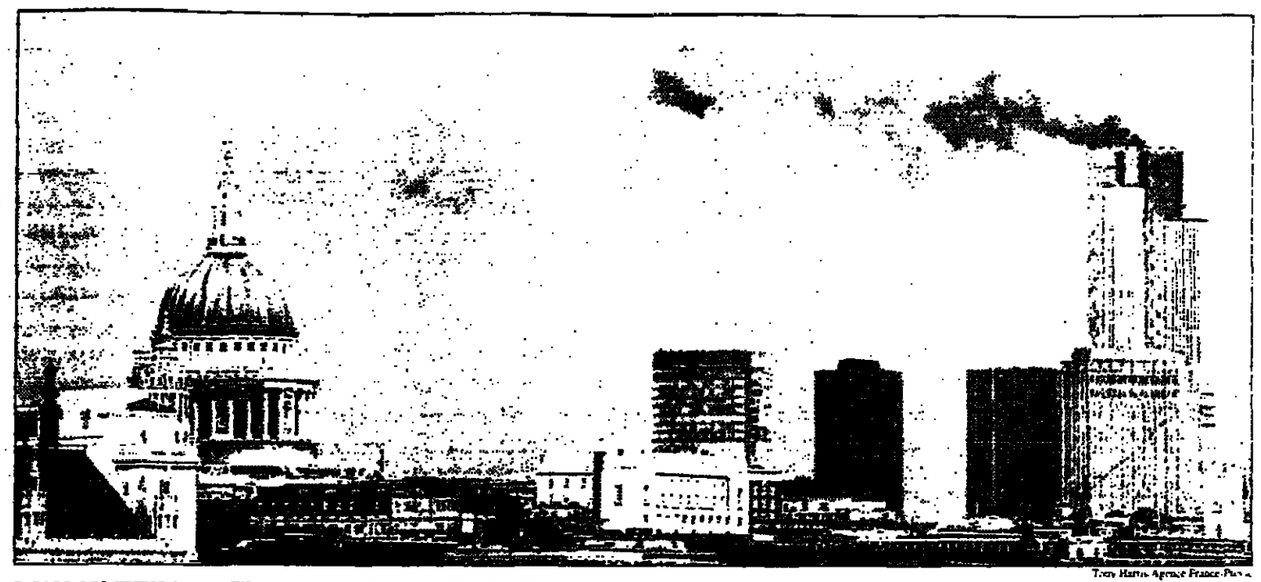
A medical statement issued by the Onassis hospital said that Mr. Papandreou, who will retain his seat in the 300-member unicameral Parliament and his post as the Socialist Party chief, was in stable condition following surgery to remove excess fluid from his lungs. He remained on a life support system.

The candidates to succeed him are the defense minister, Gerasimos Arsenis; a former industry minister, Costas Simitis; a former deputy prime minister, Ioannis Haralambopoulos, and the interior minister, Akis Tsochadzopoulos, who is now acting prime minister.

Mr. Arsenis and Mr. Simitis are considered the front runners, but sources in the party said Mr. Arsenis seemed to be pulling slightly ahead. Mr. Kaklamanis's withdrawal may also help him.

Mr. Arsenis is considered to be closer to party insiders than Mr. Simitis, who has clashed with the party hierarchy and with Mr. Papandreou.

Mr. Papandreou has been on life support since he was hospitalized for pneumonia on Nov. 20.



Tony Harris, Agence France-Presse

LONDON SKYSCRAPER BURNS — Smoke billowing Wednesday from the NatWest tower toward St. Paul's Cathedral. The police said the fire broke out in midafternoon of unknown causes. No injuries were reported. A terrorist bomb damaged the tower in 1993.

'Cleansed' Town A Wasteland Now

Serbs Holding Srebrenica

By John Pomfret
Washington Post Service

SREBRENICA, Bosnia-Herzegovina — Srebrenica, the scene of perhaps the worst atrocities of the Bosnian war, is now a garbage-strewn wasteland. About 6,000 Serbs are left to inhabit a former enclave brutally "cleansed" of its 40,000 Muslims — several thousand of whom may have been killed and buried in mass graves nearby.

A member of the Serbian force that overran Srebrenica last July, Milan Markovic, pointed at the surrounding hills: There, he said, lay the invasion route he and his compatriots followed.

Drunk and proud, Mr. Markovic brought his arm slowly down toward the town's center as he recounted what he called "the liberation of Srebrenica" from its Muslim combatants. As he paused at the Muslims' first line of defense, a treeless hillside, Mr. Markovic seemed transfixed with anger.

"Look at these hills — they used to be covered with woods," he said. "But the Muslims cut them down, and that ruined this town. It used to be so pretty, so we killed them. We killed them all."

Asked where the Muslim defenders were buried, he shrugged. "Let's have a coffee," he said.

In the first visit of Western reporters to the former United Nations "safe area" of Srebrenica since NATO troops began a mission to bring peace to Bosnia, the village resembled a wasteland, a repository of horrible memories. Emptied of its Muslim inhabitants by the army of the Bosnian Serbian military leader, Ratko Mladic, Srebrenica has exchanged one group of hapless residents for another — this time, Serbian refugees from Croatian and Muslim offensives in northern and western Bosnia.

Though Srebrenica is no longer cut off from the world, conditions here seem to have deteriorated since the Bosnian Serbian Army rolled through.

According to Western aid workers, the Muslim authorities generally kept the town clean. But Tuesday, its apartment buildings were surrounded by massive piles of garbage. Srebrenica's lone creek, once used by the Muslims to generate small quantities of electricity, was clogged with refuse.

Investigators from the International War Crimes Tribunal at the Hague believe thousands of bodies may be buried under the fields surrounding the town. The bodies are those of Muslim men allegedly executed by the Bosnian Serbs. NATO officers have said that attempts to uncover those graves could lead to a violent backlash by the Bosnian Serbs, threatening American lives.

Despite this concern and the presence of Bosnian Serbian checkpoints that have blocked recent attempts by Western journalists to arrive in the town, several American reporters succeeded Tuesday in reaching Srebrenica by a less-traveled route.

The Bosnian Serbs' capture of Srebrenica resulted in the expulsion of about 40,000 Muslims. An estimated total of 25,000 people, mostly women, children and the elderly, were forced out in convoys of buses and trucks to Tuzla. Another 10,000 to 15,000 people, mostly men, left Srebrenica on foot. While several thousand of these made it safely to territory held by the Muslim-led Bosnian government, thousands disappeared.

A report in November by the UN secretary-general, Boutros Boutros Ghali, put the number of missing people from Srebrenica between 3,500 and 5,500. It said an unknown number may have been executed and buried in six mass graves near town.

BRIEFLY EUROPE

Polish Opposition Calls For No-Confidence Vote

WARSAW — Poland's political turmoil over charges that Prime Minister Jozef Oleksy spied for Moscow took a new turn Wednesday when the leading opposition party announced it would call for a no-confidence vote.

Opposition leaders, who have demanded Mr. Oleksy's resignation, have tried to persuade the former Communists' junior partner in the governing coalition, the Polish Peasant Party, to quit and form an alternative government, a Peasant Party leader said.

Leszek Balcerowicz, head of the centrist Union for Freedom party, the driving force behind the campaign to oust Mr. Oleksy, said the no-confidence motion would be acted upon while the Peasant Party was considering its decision. He said the decision was expected by the end of the week. *(Reuters)*

EU Conduct Code Fails

STRASBOURG — After an acrimonious debate, the European Parliament failed Wednesday to impose rules on its members' outside interests and to control the activities of the thousands of lobbyists who try to influence votes in the assembly.

A plan to force European deputies to disclose their outside activities and personal assets failed to win approval, as did a plan to set up a code of conduct for lobbyists.

"We have lost credibility vis-a-vis European citizens," said Alonso José Puerta of Spain. *(Reuters)*

Slovak-Hungary Pact

BRATISLAVA, Slovakia — Prime Minister Vladimir Meciar of Slovakia has gained the support of a key coalition partner over a hotly debated political treaty that would normalize relations with neighboring Hungary, paving the way for its ratification.

The treaty sets out principles for relations between Slovakia and Hungary and their ethnic minorities. *(Reuters)*

BBC Spared 2d Big Cut

LONDON — The government backed off Wednesday from its proposal to further cut the budget of the BBC World Service, bowing to pressure from the opposition Labor party and backbench Conservatives.

Lawmakers agreed to slash £2 million from its 1997-98 operating budget, but rebelled at an additional £2.5 million cut. *(AFP)*

Calendar

European Union events for Thursday:

BRUSSELS: The commission president, Jacques Santer, and the commissioner for relations with Eastern Europe, Hans van den Broek, meet President Aleksander Kwasniewski of Poland.

BRUSSELS: Mr. Van den Broek meets with Hans Koschnick, the EU administrator of Mostar, Bosnia. *Sources: Agence Europe, AFP*

U.K. Judge Rules Contraception Is Women's Work

Reuters

LONDON — Women are responsible for their own contraception, Lord Justice Thornton ruled Wednesday.

In doing so he rejected the claim of Alison Goodwill, who became pregnant after her lover had a vasectomy. Ms. Goodwill had wanted her lover's surgeons to pay for bringing up the 6-year-old daughter who resulted from the union.

Lord Justice Thornton said a woman should take nothing for granted when a man says he has taken precautions.

"Her responsibility is to protect herself against unwanted conception and to take independent advice on whatever facts he presents," he told Ms. Goodwill, 48, in London's Appeal Court.

He overruled a county court decision that the surgeons had a case to answer. The ruling followed a series of judgments which have prompted women's groups to protest against what they see as misogynist judges.

In 1993 an elderly judge said an 8-year-old victim of a sexual attack was "not entirely an angel." Another freed a teenage rapist and suggested his 15-year-old victim would benefit from a holiday to "get over the trauma."

The Birth Control Trust condemned the court's decision Wednesday.

EUROPEAN TOPICS

Diagnosis: Computer Blues

Some German doctors have their foot on the brake as they are being pushed onto the information superhighway. A 1995 law intended largely to make it easier to track the spread of disease requires that doctors, in quarterly reports on the illnesses of their patients, provide information not in traditional longhand but by using a coding system suited to computers. Thus, rather than noting that a patient is suffering from "abnormal intestinal noises," the physician would jot down "R 19.1."

But two physicians' groups have complained, saying the new system will expose their patients' most intimate medical secrets to prying eyes. "An uncontrollable number of people will gain access," one association asserted, "so that the notion of doctor-patient confidentiality will quickly lose all meaning."

Health Minister Horst Seehofer has dismissed the complaints as "a load of rubbish." He and others note that the coded information on illness will be kept separately from patients' names and that, if anything, the new system should bolster confidentiality. Anyone working with the computer data who passes on such information risks a two-year jail term.

There are suspicions, reports the daily newspaper Die Welt, that the physicians have a deeper agenda — the fear that computerization will allow officials to keep a closer eye on doctors' billing practices.

Around Europe

Secular tensions between Russia and Estonia are spreading into the spiritual sector. The Russian Orthodox Church of the Moscow Patriarchate, supported personally by President Boris N. Yeltsin, has complained of "repression of Orthodox belief by the Estonian government." There is much history behind this charge. Though Estonia is predominantly Protestant-Lutheran, about a third of its people are Orthodox, either members of the Russian minority or descendants of Estonians who embraced Orthodoxy under the czars.

When the Soviets invaded in 1944, the local Orthodox Church, which tended to be strongly anti-Soviet, was banned, and its churches and communities were placed under the Moscow Patriarch. With the return to freedom in this decade, the Estonian church demanded the return of those churches and religious communities, but Moscow says no. One Russian newspaper warned that the dispute could "destabilize relations."

In a setback to the British Labor Party, a Leeds court has ruled that even "positive discrimination" is illegal. A Labor Party congress in 1993 decided that half of all seats coming open should be occupied by women. Two men, whose candidacies in a regional party organization were rejected in favor of women, filed suit, and a three-judge labor court ruled that even if the point of such policies might be praiseworthy, they violated the 1975 Sex Discrimination Act. There are now 60 women in Parliament, occupying less than one-tenth the 651 seats.

The police, summoned to remove an object thought to be a bomb from the underside of a car in the Dutch city of Enschede, found that the object had been placed there by fellow officers. It was a tracking device to follow the movements of a suspected drug trafficker. The bomb squad pretended to disarm the device. The police later arrested the owner of the vehicle.

International Herald Tribune

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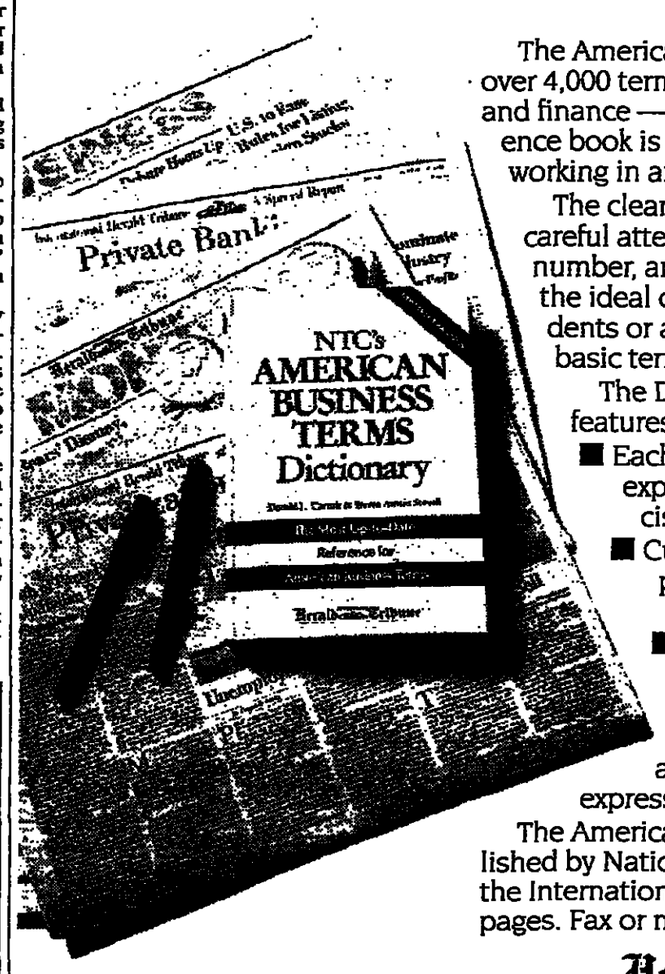

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Yeltsin Like Gorbachev?

The violent firefight between Russian troops and Chechen rebels in the southern Russian village of Pervomayskaya is more than the latest skirmish in a war that neither side seems willing to end. The attack by Russian forces, intended to free hostages seized last week by the Chechen fighters, seems to be Boris Yeltsin's convulsive way of preparing to run for re-election as president.

All indications point to Mr. Yeltsin getting ready to campaign as a champion of Russian power and pride rather than as the architect of Russian economic reform and democracy. The latest and most disheartening casualty of that emerging strategy was Anatoli Chubais, forced to depart on Tuesday. He was the last committed reformer left in the Yeltsin cabinet. As a deputy prime minister, Mr. Chubais was the Kremlin's strongest defender of the painful but critically important economic reforms that Mr. Yeltsin initiated in 1992.

While Mr. Yeltsin's new approach may win him support from some voters who favored Communists and nationalists in last month's parliamentary elections, it seems unlikely to secure re-election and could undermine whatever hope he may harbor of sustaining reform in a second term.

Like Mikhail Gorbachev, who slowed reform and embraced its opponents in a futile effort to save his job and the Soviet Union, President Yeltsin seems bedazzled by the illusion that accommodating the opposition is the way to overcome it. He of all people should realize that Mr. Gorbachev's inconsistent policies only invited greater challenges to his leadership and ultimately led to his demise.

Apparently unmindful of that example, Mr. Yeltsin is swerving away from reform. Almost every action he has taken since returning from a two-month convalescence for heart problems suggests that he is inclined to seek re-election and would rather change his reform government than defend it.

The appointment of Yevgeni Primakov as foreign minister puts at his side a loyal servant of the KGB and Communist Party during the Soviet period, auguring a more aggressive foreign policy. Mr. Primakov learned statecraft from the Soviet leader Leonid Brezhnev.

Mr. Yeltsin's appointment of Nikolai Yegorov as his new chief of staff was no less troubling. As minister of nationalities, Mr. Yegorov was one of the early advocates of the Russian military attack in Chechnya a year ago. He replaces the liberal Sergei Filatov in a Yeltsin inner circle now dominated by hawkish military and security advisers.

The decision to assault the Chechen fighters in Pervomayskaya may be popular with Russians who distrust the Chechens and believe that Moscow has been humiliated by the war in Chechnya. But it prematurely cut off negotiations that should have been extended to avoid bloodshed. In the end, Mr. Yeltsin seemed more interested in upholding a false sense of Russian honor — "We must punish them," he said of the Chechens — than in finding a peaceful way to end the hostage crisis.

No matter how hard he may try, Mr. Yeltsin cannot trump the Communist leader, Gennadi Zyuganov, as an opponent of reform, or offer the same visceral appeal as potential nationalist candidates like Vladimir Zhirinovsky or Alexander Lebed. With his weak heart and anemic popular support, he might be well advised not to run at all. But if he does, he can only betray his principles and ability to provide enlightened leadership if he abandons reform.

— THE NEW YORK TIMES.

Pricing Mideast Peace

The peace talks going on between Israel and Syria have sparked fresh interest in what the American role might be in strengthening an agreement. Defense Secretary William Perry has just hardened the Clinton administration's commitment to have American forces, duly invited by both parties, monitor restoration of the Israeli-occupied Golan Heights to Syria. Meanwhile, the Israeli press is reporting on the funds that Jerusalem might seek from the United States to facilitate a Golan pullout. Everything is tentative. But this is the right time to start thinking about the price of the next step to a Mideast peace.

In Israel, the Labor government, appealing to the American interest in peacemaking, argues that American troops would give Israel the comfort and company essential to making a deal with a deeply distrusted Damascus. Quiet and effective American participation in Sinai peacekeeping between Israel and Egypt is cited as a model. The Likud opposition, appealing to congressional misgivings about fuzzy entanglements, responds that an American role would expose American soldiers to risk; it might also compromise Israel's freedom of military initiative.

The lonely and remote buffer that is the Sinai desert is very different from the up-close, populated and strategic terrain of the Golan — and the difference makes a case for caution in Golan. The unfolding experience of the newest American peacekeeping venture, the one-year mission in Bosnia, is bound to influence American thinking on Golan. In any event, the force supplied by several nations in which American military and civilian personnel might serve there should not become a substitute for Israeli-Syrian engagement.

Israel, a country with a $70 billion GNP, already is the prime beneficiary of the shrinking U.S. aid program. In a peace with Syria, reports the state-run television, it would seek up to $12 billion in aid atop its customary annual $3 billion: $7 billion for security, $2 billion for relocating its 13,000 settlers and $3 billion for water projects. The principle of American security and financial compensation for Israeli peacemaking — and, with Israel as chief lobbyist, for Arab peacemaking — is firmly established. The numbers here, however, are serious. Israel has a claim for help in offsetting the loss of strategic depth. But should the United States pay for settlers that Israel need not have planted in the first place? "Water projects"?

American favor for Middle East peace, and especially for Israel, makes Israeli-Syrian agreement worth paying for in various kinds of coin. But, as in all categories of foreign policy spending, the sums need to be carefully measured against what they really provide.

—THE WASHINGTON POST.

Other Comment

Australia in Good Standing

Chalk one up for the market. Only a year ago Australia was on the outs with Malaysia after Prime Minister Paul Keating called Prime Minister Mahathir bin Mohamad a "recalcitrant" and Mr. Mahathir responded by calling Australians the ill-bred descendants of "ex-convicts and social discards." The distrust and misunderstandings went well beyond words. Until very recently, Australian defense policy looked at neighboring Indonesia as a threat and not an ally.

This week, however, all sides kissed and made up. On the first visit of an Australian prime minister to Kuala Lumpur in 13 years, Mr. Keating emphasized that Australians "now seek our security in the region, not from the region," at a banquet with Mr. Mahathir. The Malaysian prime minister for his part said that it was time to put the past behind them and suggested that it was a credit to both countries that "good sense" had prevailed despite their various spats.

Singapore Prime Minister Goh Chok Tong went even further, telling the Australian Financial Review that he could envisage an ASEAN with both Australia and New Zealand as members.

Why the sudden improvement in relations? In a word, trade. In the past few years there has been a dramatic increase in commercial contact between Australia and its Asian neighbors. Australia's trade with Malaysia, for example, is soon expected to outstrip its trade with Mother Britain.

We're not suggesting that trade will overcome all problems; as the friction between Tokyo and Washington demonstrates, trade can create its own conflicts. But trade does create powerful new pressures and incentives for the good sense that might otherwise not have been allowed to prevail.

— Far Eastern Economic Review, (Hong Kong).

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This Heavyweight Brawl Is Mindless and Scary

By Jim Hoagland

WASHINGTON — Because a magnificent exhibit of his work was temporarily its casualty, Vermeer is now associated with Washington's budget war. But it is not the precise, elegant Dutchman whose spirit exemplifies what America's politicians have done this winter. That honor must go to Goya, the Spanish master of the grotesque.

If suddenly granted three wishes to resolve the nasty political war that the Republicans and Democrats are waging over the budget, I would first whisk President Bill Clinton, Speaker Newt Gingrich, Majority Leader Bob Dole and the Republican House freshmen to Madrid's Prado museum.

There I would ask them to ponder a painting by Goya of two titans pounding each other into the dirt, laying waste to themselves and everything around them in a struggle that has long since lost its meaning and justification. It is the most eloquent portrayal I know of the horrors of conflict for conflict's sake.

That is what the budget war has become. It is a sham argument about an arbitrary timetable and unreliable numbers that will be tossed aside when political advantage has been drained from them. It has become nastier in recent days as Mr. Gingrich and to a lesser extent Mr. Clinton have sought to manipulate the financial markets to support their political positions in the national debate.

There are times when political leaders join in lockstep in marching over a cliff that none of them seems to perceive. They collectively misdiagnose a problem and pursue short-term gains that wreak long-term havoc. European politicians did that in the years before World War II. American presidents, congressional leaders and the U.S. military establishment followed suit in Vietnam.

Thus, wish No. 2: America's political leaders would seriously study the damage that can come from accepting an arbitrary, seemingly binding timetable to accomplish broad, structural economic changes that are in fact beyond the politicians' control.

Such an assessment would bring some badly needed humility into a budget debate in which both sides claim to see seven years into the future so clearly that they can design irrevocable budgets for the year 2002. This is nonsense, and they know it is nonsense. But pretending otherwise suits their immediate purposes of enacting an unwarranted and unwise $240 billion tax cut (the priority Republican goal) and protecting entitlements that earn votes for the Democrats.

Again Washington politicians should look at a picture in Europe — an economic picture this time. European economies are laboring to slash budget deficits by the arbitrary deadlines set out in the European Union's Maastricht treaty of 1991. At the same time, economic growth is coming to a standstill.

Political turmoil partly inspired by Maastricht has disrupted France's economy. The Continent's economic powerhouse, Germany, may record 1 percent growth this year rather than the expected 2 percent. Unemployment now tops 10 percent and the German finance minister, Theo Waigel, who loves lecturing other countries about not meeting Maastricht deadlines, has to admit that Germany's own budget deficit is now at an un-Maastrichtian 3.6 percent.

You can argue about the causes and effects of the European slowdown and of Maastricht deficit ceilings, but there is no argument that this slowdown is occurring. And yet the American political budgeteers pay no attention to it as they seek to bind America to the same rail. They, too, put fiscal orthodoxy and deadlines chosen to fit electoral cycles and the arrival of a new millennium before government action to stimulate growth and good jobs.

I find that scary.

Why is no one asking if America, Europe and to some extent Japan can all really pursue politically motivated deficit-cutting schedules and high real interest rate policies at the same time without depressing the global (and American) economy?

Why are neither the Republicans nor the president admitting to the American public that their budget estimates for 2002 are highly unreliable, bordering on the fictitious? In the six months during which they have argued over using or not using Congressional Budget Office estimates, the CBO numbers have changed by $135 billion.

It is not so much each other that the president and the Republicans are pounding into the ground à la Goya. They lay waste to the credibility of the American political system. As long as we are wishing, that is No. 3: truth-telling to the American people.

Without it, cynicism will be the major by-product of this conflict for conflict's sake, in which government workers have been paid not to work and the politicians have labored mightily to blind themselves to the obvious.

The Washington Post.

A Good Start in Bosnia, but the Conditions Aren't Promising

By Thomas L. Friedman

WASHINGTON — Bill Clinton took a well-deserved victory lap in Bosnia last weekend. The broad cease-fire that his administration negotiated is taking hold, and with NATO troops fanning out the prospect of renewed large-scale warfare, or mass murder of civilians, is nil. That is the big picture, and it is a good one. But if you look just behind it there are still worrying signs.

If you put 60,000 NATO troops in a small country like Bosnia, you will quell most of the violence. What is troubling is that small incidents still taking place between Croats, Muslims and Serbs suggest that the political-economic conditions to create an environment in which peace can reign without 60,000 NATO troops are a ways off.

Yes, it's still early; things are bound to get better. But the recent incidents reflect deep structural problems that must not be ignored just because the surface is calm.

For instance, NATO's role is supposed to be confined to separating the warring factions, while political and economic reconstruction is handled by a European-led mission under Carl Bildt. Mr. Bildt, who didn't get to Bosnia until two weeks after NATO, complained bitterly that he has almost no money.

It seems that while Western powers, Russia and Japan are ready to dig into their tight budgets to pay for the military side of this operation — to pay for a cease-fire — they are reluctant to hit their taxpayers for much cash to actually rebuild Bosnia. Mr. Bildt said he was reduced to withdrawing $210,000 from a Brussels bank and then carrying the cash to Sarajevo in his briefcase to set up operations.

At the same time, U.S. negotiators have insisted that, although NATO forces would be separating the warring factions, this would not lead to a partition, because political clauses of the Dayton accord will reunify Bosnia through elections and power-sharing. But the first two test cases of the ability of the factions to reunite and share some common space have not been very promising.

In Sarajevo, Bosnian Serbs, whose neighborhoods are to revert to the control of the Bosnian Muslim central government, have been digging up their dead and moving out in droves rather than remain under Muslim control. The Serbs, who repeatedly shelled Muslim areas from their neighborhoods, did not want their dead under Muslim rule, let alone their living.

The other prominent test case is the town of Mostar, which is supposed to be shared by Muslims and Croats; but the Croats show no interest in sharing. The two sides traded sniper and artillery fire last week — and they are supposed to be allies. The whole Dayton accord is built on the idea of a Muslim-Croatian federation sharing half of Bosnia and a Serbian republic the other half. But the commander of the Bosnian-Croatian militia, Mladen Misic, boasted of Mostar: "This will be Croatia. There will be a war if necessary."

History suggests that civil wars like Bosnia's end in one of three ways. First is the Cyprus model, where you have a hard partition between two factions, each of which has grabbed its own slice of land.

Second is the Lebanon model, where you have a soft partition under an iron fist. In Lebanon, there is a lot of mixing between Muslims and Christians, who still live largely in their own areas, but with the Syrians standing over both with a club to make sure they stay in line.

Third is the Appomattox model, where, as in the U.S. Civil War, one side simply vanquishes the other.

The Dayton accord is based on the notion that there can be a fourth model: a civil war that ends with elections, a new constitution, a military balance, the trial of war criminals and power-sharing, with external force applied in only limited doses for 12 months.

Maybe — but it will require an enormous expenditure of money and goodwill by all the parties.

Those most dubious seem to be the Bosnians themselves. They know the demons that lurk within. Sarajevo residents have been quoted as saying they are hoping that President Bill Clinton will be their new Tito — the iron-fisted Yugoslav strongman who used his army and secret police to maintain peace among the different communities.

That is worth thinking about. America is telling them that the solution to their problem is a new constitution, and they are telling America that the solution to their problem is a new Tito.

The New York Times.

The Issue Isn't Whether Japan Changes but When and How

By William Pfaff

PARIS — A new prime minister with a new agenda has arrived in Japan at a moment when Japan's postwar international position and policy are under serious reconsideration, and with that, its dependent relationship to the United States.

A shift in policy could occur under the government of Ryutaro Hashimoto, the Himalayan climber and martial arts expert who has just assumed the prime ministership, or under one led by his principal opponent, Ichiro Ozawa, an advocate of economic liberalization and deregulation. Both are strong men, who break the postwar pattern of pliable prime ministers manipulated by the civil service and power brokers.

A national election is not required before July 1997, although one is expected this year.

Japan, Mr. Hashimoto has said, has again to become "a normal country." Its passivity on the international scene should end. Those who object to this, particularly among those who were Japan's wartime victims, have said that Japan must first come to terms with its wartime history. But Japan clearly has by now assumed its history — by affirming it.

The Japanese majority, like the leadership, clearly believes that the country's wartime crimes, which they have ambiguously acknowledged as "regrettable events" or "errors," have by now been sufficiently apologized for, and are in any case offset by the American nuclear attacks on Hiroshima and Nagasaki. That was the implied message of the observance of the Hiroshima anniversary last year.

Japan's neighbors in Asia, in these circumstances, find reassurance in the constraints implied by Japan's alliance with the United States and by the presence in Japan of nearly 50,000 American servicemen and women. However the reassurance that those troops provide will eventually terminate, and it is proper, for both Japan and the United States, that this should happen.

In November, the Japanese cabinet approved a new defense program presented by Mr. Hashimoto's predecessor. It cut Japan's own considerable military forces, by 20 percent in ground troops. The government at the same time requested the United States to maintain U.S. military strength in Japan at present levels.

The American navy patrols the southwestern Pacific shipping lanes along which Japan imports its energy. It patrols the Sea of Japan, which separates Japan from North Korea. The United States continues to concern itself with the erratic and threatening conduct of Pyongyang, and maintains a 40,000-member army and air deployment in South Korea.

To do this while Japan reduces its own security forces is illogical for the United States, and in the longer run is politically unsustainable.

However, the United States is reluctant to unsettle the military balance in East Asia at a time when the region possesses more unsettled problems and more possibilities for serious conflict than anywhere else. North Korea's bankrupt and reality-detached dictatorship is only one among those problems.

China confronts a successor crisis and an ideological collapse in which nationalism is likely to become the new motivating popular force. It makes serious and dangerous claims on Taiwan, and in the Spratly Islands group in the South China Sea, where its policy is contested by the Philippines, Indonesia, Vietnam and other governments of the area.

The Taiwanese are unlikely to yield, were China to attempt to enforce its claim to sovereignty over Taiwan. Unlike Hong Kong, in a similar situation, they have no Britain to sell them out. It is possible that some future American administration might wish to do so, but in foreseeable circumstances this would be politically impossible for Washington.

Mr. Hashimoto has in the past said of the United States that while Japan's association with Washington is extremely important, "it is not something that we have to protect to the point of throwing away our national sovereignty." As trade minister he rebuffed Washington's trade demands with unprecedented severity.

However, change in modern Japan has ordinarily come only in involuntary reaction to outside events, and then is often drastic or even dangerous. The famous process of obtaining national "consensus" before action actually tends to stifle change.

Mr. Hashimoto implies that change — and "normality" — should and can come on Japanese government initiative. It is possible that it could also come as a result of the political alienation of the Japanese public, reacting to the discreditable domestic political record and corruption of the principal parties during the past half-century. It is possible that it will be produced by an altered American political and security policy.

Certainly "normality" must eventually come, and in principle should be a positive development. Whether it would actually prove to be so is another matter. In any case, the present situation, in which Japan rests its security on the American alliance, and still renounces an individual international role and policy, is unsustainable.

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Is the Iron Curtain Gone or Not?

By Peter W. Rodman

WASHINGTON — I wrote in the Dec. 25 issue of National Review that President Bill Clinton and his associates had assured the Russian government that if Russia cooperated with the United States in Bosnia, NATO enlargement would remain on a back burner.

The logic went this way: Russian cooperation in Bosnia would be a model of how the new "European security architecture" should operate and would affect the U.S. attitude on a number of issues, including NATO enlargement, which need not happen any time soon.

My two authoritative Russian sources were supported by an authoritative American source.

The Clinton administration has denied that any such "arrangement" exists (to use Secretary of State Warren Christopher's word). At issue, of course, is not some elaborate "arrangement" but a more informal point that was made — and understood — in the manner described.

Public events have only borne out my report.

• Before the Hyde Park summit with President Clinton on Oct. 23, President Boris Yeltsin and Defense Minister Pavel Grachev were in fury over both Bosnia and NATO enlargement. Since Hyde Park, they have been pussycats on both issues.

• The Dec. 5 NATO ministerial communiqué — of which the administration is so inexplicably proud, as so-called proof of its dedication to NATO enlargement — essentially assured the Russians that nothing will happen in this area, other than additional "consultations," for at least another year.

• The same day, Russian Foreign Ministry spokesman Mikhail Demurin said his government took credit for engineering the "pause" in NATO enlargement.

Self-serving motives could lie behind any Russian pronouncement or leak on this subject. But the report came with a precision and a provenance that would lead any journalist to take it seriously.

The most charitable interpretation is that the Clinton administration thinks NATO enlargement will be easier if done later or gradually. Thus it was thought to be postponing any concrete steps until after the Russian presidential election next June.

But what will happen then? If a hard-liner like General Alexander Lebed wins, the risks and inhibitions on the American side will be even greater. And if a moderate should win, will Washington undermine him by hitting him over the head with this right away? NATO enlargement will become harder, not easier, with the passage of time.

My Russian sources for the above report also suggest that the American assurances are interpreted as extending beyond the Russian election into a second Clinton term.

The question is whether the West is prepared to consolidate the new status quo that emerged in Central Europe in 1989, the present reality that the Central European and Baltic democracies are free and independent sovereign states that have opted to associate with the West.

Acceptance of the revolution of 1989 ought to be the sine qua non of any Russian relationship with the West.

The writer, a former State Department official, is director of national security programs at the Nixon Center for Peace and Freedom. This comment, contributed to The Washington Post, responds to a column by Jim Hoagland (IHT Opinion, Jan. 4).

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Arms on Board

ROME — It has become known to the Italian Government that a French steamer has left Marseilles with 50,000 rifles for Abyssinia for the use of native forces. As the ports of the Red Sea have not been blockaded a capture is thus rendered impossible. The proposal has been made that a collision should be brought about between an Italian man-of-war and the French vessel, and the latter should be rammed and sunk. Orders have been sent to the French authorities at all ports at which the steamer might call to detain her.

1921: Women's Court

CLEVELAND — A preliminary criminal hearing has been held here composed entirely of women. This is the first time in the history of the United States and probably of the world that such a thing has taken place. Mrs. Australia Crape was arraigned before Judge Florence Allen on an indictment for murder. The State was represented by Miss Eva Jaffa, Assistant County Prosecutor. The prisoner pleaded not guilty and will be tried later. There is every possibility that the trial will be held before a jury of women.

1946: Seer's Misfortune

PARIS — Mme. Joly, a Paris fortune-teller, was visited yesterday [Jan. 17] by three women customers who said they were having trouble with men-friends. The "seance" had only started when one of the patrons produced some cotton impregnated with chloroform, and put the fortune-teller to sleep. Two hours later, Mme. Joly having freed herself from her bonds after regaining consciousness, reported to the police that the women had deprived her of her wedding ring as well as of some 2,500 francs.

OPINION/LETTERS

'Rich Kid' Forbes Crashes the Republicans' Party

By E.J. Dionne Jr.

WASHINGTON — In running for president, Steve Forbes is doing his country a large service. Single-handedly, he is likely to kill any chances of enacting the "flat tax" he so ardently supports. That, of course, is not his intention, but middle-class taxpayers can be grateful to him anyway.

Mr. Forbes's candidacy is a delight to behold because he is creating all kinds of angst among Republican politicians who normally love to celebrate the achievements of wealthy entrepreneurs (even if some of them inherited their wealth) while regularly defending the role of big money in politics.

Strangely, these no doubt sincerely held convictions haven't quenched the fury of Mr. Forbes's primary foes in seeing their own years of political work count for nothing in the face of the unlimited amounts Mr. Forbes can spend on television ads.

Republican politicians who typically assail Democrats for waging "class warfare" thus launched a class war of their own at last Saturday's presidential debate in Iowa. Sounding much like Harry Truman, they attacked Mr. Forbes as a little rich kid who had unfairly bought his way into their game.

As if this were not enough to challenge the Republican Party, Mr. Forbes is also raising a huge substantive question: Do Republican primary voters think balancing the federal budget is really as important as all their leaders in Washington say it is? Mr. Forbes's flat tax would substantially expand the annual deficit — and he doesn't care at all.

On the contrary, he accuses other Republicans of pursuing the painful "root-canal" economics of budget cutting instead of the optimistic economics of tax cutting. He is thus reopening a split in the Republican Party that goes back to the Reagan years.

Politics in a democracy is wonderful, because for all the efforts of media meisters, pollsters, pols (and, yes, pundits) to fog the debate, someone eventually comes along to mess up their game and force fundamental choices back into view.

Take the flat tax, the premier case of clarity triumphing over obfuscation. Republicans started pushing this idea hard after the 1994 elections because they could not say up front what they really wanted to do: repeal the tax increases on the well-off that were part of President Bill Clinton's 1993 budget. Every poll shows that "higher taxes on the rich" are popular. That is not surprising, because few people are rich and practically nobody considers himself or herself rich.

So instead of being as straightforward as Mr. Forbes or Jack Kemp is in saying that it's good for the rich to pay less, supporters of the flat tax spoke soothingly of "simplifying" the tax code, reducing the number of deductions and being kinder to the taxpayers.

This assumed voters don't look at the details. That is never true when it comes to tax proposals. Voters are always shrewd in answering one question: Will this tax idea help me or hurt me? The flat tax cannot pass this test without raising the deficit.

For one thing, most taxpayers (because they don't earn a lot and don't have complicated investments) file the short tax forms, so they're not as worried as, say, Mr. Forbes is about the code's complexity. Moreover, the one deduction middle-class taxpayers love is for home mortgage interest. They don't regard this as a "loophole" or some bureaucratic monstrosity but as the one break they get.

Then there is logic: There is no way a flat tax can raise as much money as the progressive income tax without raising taxes substantially on middle-income taxpayers. That is because it would cut taxes on the very well-to-do, who now pay at the top rate of 39 percent. That, in turn, is why Mr. Forbes is willing to increase the deficit. He knows that he'd need a flat tax not of 17 percent but of 20 percent or more to keep the deficit from going up. But at that level, the middle class starts paying more and loses interest in the idea.

Mr. Clinton, who upended Jerry Brown's 1992 presidential primary campaign by attacking Mr. Brown's own flat-tax proposal, was looking forward to making all these arguments against the Republicans. Now he won't have to because the Republicans are doing it for him.

Morry Taylor, another Republican businessman using his own money to run for president, called Mr. Forbes's flat tax "nuts" during the Iowa debate. "It would have me paying no tax on $15 million in capital gains and my employees paying 17 percent" on their wages, he said. Pat Buchanan, who could give Karl Marx lessons in class warfare, said the Forbes proposal "looks like it was worked up at the yacht basin."

All this is why Bob Dole, smart politician that he is, wants the tax commission that he and Newt Gingrich asked Jack Kemp to head to keep some things vague in its upcoming report on flat taxes. Senator Dole wants to run away from any radical flat tax along the lines Mr. Forbes is proposing.

But Mr. Forbes himself is not going away. Cheerfully and with conviction, he is presenting himself as the authentic revolutionary so many other Republicans pretend to be. In the process, he is educating the country about where the more radical Republican ideas lead and challenging his own party to decide if it has the courage — or foolhardiness — of its convictions.

The Washington Post.

Women Who Turned Off The Biological Clock

By Jeanne Safer

NEW YORK — This year the first wave of the baby boomers turns 50.

For many of the 38 million women born during the baby boom, the biological clock so many watched anxiously is winding down forever.

But what about the 15 percent of those women — I am one — who intentionally never produced a baby boom of our own?

Because our decision not to have children violates norms of feminine conduct, we face a different psychological task from our peers who became mothers or were infertile.

MEANWHILE

According to my own experience and the interviews I conducted with 50 women who are also childless by choice — the majority of them baby boomers — most of us have never been happier.

Contrary to popular assumptions, most women I've talked to who have made conscious decisions not to reproduce for personal or professional reasons are approaching their milestone birthdays with few regrets and with a lot of relief and excitement about the future.

At 35, Jane, a dancer, married a man who did not want children. At 40 she went to medical school. She has now established a child psychiatry practice and repaid her loans.

"I make a difference in children's lives and still go out at night," she told me.

"My life is really beginning at 50," said Anna, an acupuncturist, as she and her new husband prepared for an around-the-world trip.

Reviewing a decade as a war correspondent in the Muslim world, one woman told me: "I've had such an eventful time I wouldn't mind dying now. Would I have been able to go into Afghanistan with the rebels if I'd had a child waiting at home?"

Robin, a secretary living in a Long Island, New York, suburb surrounded by other people's children, says: "There's no gene for motherhood. I'm happy with my life. I feel no need to undo what I didn't do — and I will leave lots of love."

Lauren, a housewife and community activist, believes she has given up "a kind of self-knowledge you only get from having kids" but has gained "time to reflect that most people don't have."

It is only now as she approaches 50 that Leslie, a gallery owner, can volunteer that she chose not to be a mother.

"I felt a stigma in my earlier years," she said. "I was afraid people would judge me or feel sorry for me, because I mistrusted my decision to be different. Now I know that I made that choice out of strength."

Many women attributed their satisfaction specifically to their decision to remain childless, a choice they believe has offered them rare opportunities for self-expression, service and creativity.

Their need to be the center of their own attention is not based on selfishness or coldness, as is often assumed, but reflects a healthy wish to focus on their own lives.

All of them say they feel proud that they actively grappled with their motherhood dilemma.

They say they do not regret the outcome, even though many had to mourn lost possibilities and accept being permanent outsiders to a principal preoccupation of their peers.

Each told me she now enjoys her unconventional life, the intimacy of her marriage, her uncommon degree of freedom and privacy.

Conventional wisdom, the religious right and the psychologist Erik Erikson — who wrote that "a woman who does not fulfill her innate need to fill her uterus with embryonic tissue is likely to be frustrated or neurotic" — are wrong.

These "barren" women feel fully womanly as they reach menopause.

Many see themselves as models for the next generation, demonstrating that women can finally make informed choices about reproduction, see motherhood as a vocation that may or may not suit them, and be fulfilled whichever life they chose.

The writer, a psychoanalyst and the author of "Beyond Motherhood: Choosing a Life Without Children," contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Tunnel Vision

Regarding "Workers' Concerns" (Letters, Dec. 27):

Kenneth Deavers's response to William Pfaff's article (*"U.S.-British Capitalism or Europe's Model of 'Social' Capitalism?" Opinion, Dec. 15*) illuminates the tunnel vision of modern capital and its apologists.

Mr. Deavers makes two important points: nonwage compensation has grown faster than wages, while gross domestic product per capita has shown strong improvement. This is to say that a higher proportion of costs are paid out, not to the workers whose per capita output has improved corporate balance sheets, but to other corporations and government insurance funds. Such benefits are clearly desirable to society as a whole — especially to the insurance companies — but they do not contribute to the current standard of living for the workers in question.

Mr. Deavers has made a common mistake of management, confusing costs with wages, which have lost ground when compared to inflation. This is the source of workers' legitimate concerns.

As for his statement that three-quarters of the decline of the middle class can be explained by movement into the upper class, all I can say is I'll believe it when I see it.

DENNIS TORREGGIANI.
Piacenza, Italy.

Not the First

Regarding "Mitterrand Dies at 79; Led France for 14 Years" (Jan. 9):

François Mitterrand was not the first socialist to lead his country since Léon Blum in the 1930s.

A socialist, Vincent Auriol, was president of the French Republic from 1947 to 1953.

JEAN B. MARIE.
Le Vésinet, France.

On Turkey

Regarding "The Islamist Victory" (Editorial, Dec. 28):

Turkey's human rights record is described in the editorial as "abysmal." Although Ankara's record is hardly the envy of the Western world, Turkey should be given credit for doing a pretty good job in a difficult neighborhood.

There has never been a Muslim nation in the history of mankind that has paralleled the political pluralism that Turkey enjoys today. Turkey is not Denmark, true. But neither is it Georgia, Armenia, Azerbaijan, Iran, Iraq or Syria — its immediate neighbors. Outside of Europe and its former colonies, Turkey is one of the most liberal and free countries in the world.

J.H. MEYER.
Istanbul.

Turkey's political leaders, who have been enforcing austerity policies imposed by international lenders, are urged in the editorial to "expand social services." Yet nearly every economic commentary I read urges legislators to cut social services and embrace austerity programs as the only way to satisfy the financial institutions that run the globalized economy.

DENIS MACSHANE.
London.

Another Detour

Regarding "Douglas 'Wrong Way' Corrigan Dies" (Dec. 15):

The obituary mentioned that Mr. Corrigan's plane was returned to the United States aboard the liner Manhattan. I have a small coincidence to relate.

The ship Manhattan brought me and a couple of thousand other guys back from the Pacific after World War II ended. It had been converted from an ocean liner to a military transport and was renamed the USS Wakefield for the duration of its tour of duty.

We boarded on Guam and were headed for California and subsequent discharge. While we were en route, however, the ship's commander came on the intercom to announce a change in plans — the Wakefield would go through the Panama Canal and up to New York, where it would be decommissioned and have its old name returned.

Lots of people joined Mr. Corrigan in offering thanks to the liner Manhattan.

JACK NUSBAUM.
Malaga, Spain.

A Sports Lament

What kind of world are we living in when Don Shula, the greatest coach of all time, is dragged to his knees by an amnesiac and ungrateful South Florida media; when every college football champion is embroiled in a scandal, and when "me first" athletes provide the only role models for future generations?

JOHN F. MURRAY.
Gainesville, Florida.

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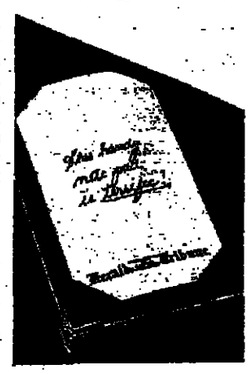

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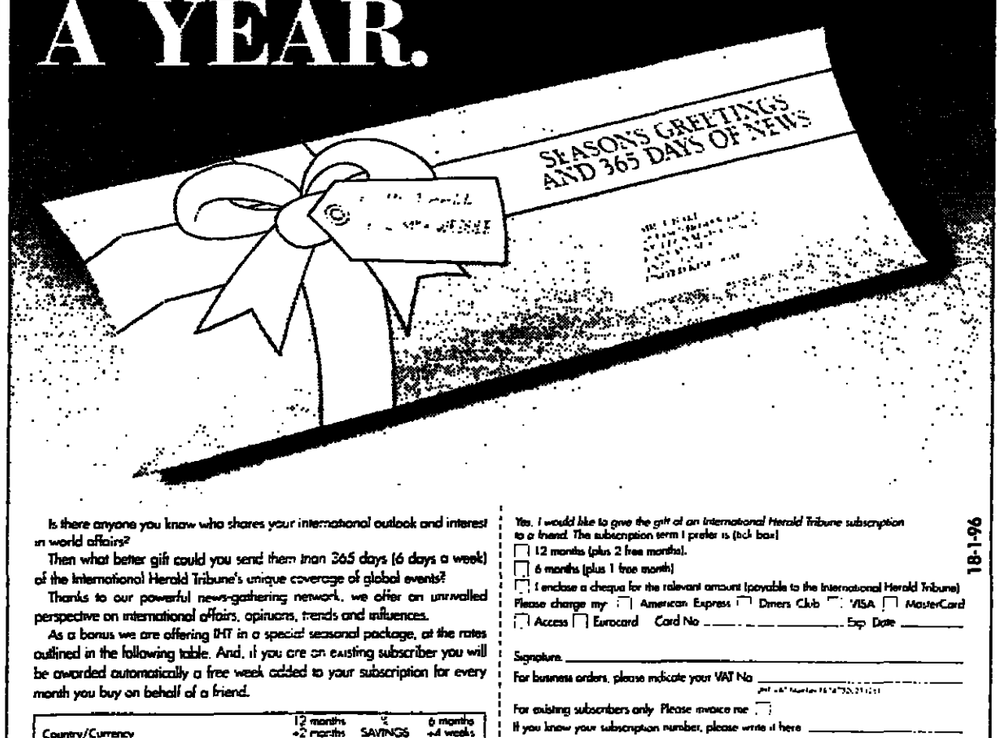

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INTERNATIONAL

Iraqis Will Discuss Oil Sale but Not on UN's Terms

Compiled by Our Staff From Dispatches

BAGHDAD — Iraq is ready to begin talks with the United Nations on sales of oil but will not accept the conditions the UN has set, the Iraqi News Agency said Wednesday.

"Iraq will respond to a call to conduct a dialogue on the subject of oil in return for food and medicine on the basis that there should be no preconditions imposed on us," the official agency quoted Deputy Prime Minister Tareq Aziz as saying.

Mr. Aziz said he conveyed Iraq's position to Secretary General Boutros Boutros Ghali of the United Nations on Tuesday through Iraq's chief delegate to the UN, Nizar Hamdoon. Mr. Boutros Ghali's office in New York confirmed that a letter from Iraq had been received but did not disclose its contents.

Mr. Aziz said his government objected to the terms of a UN Security Council resolution on oil sales that he said "threaten Iraq's sovereignty, national unity or interfere in its internal affairs."

The resolution would allow Baghdad to sell up to $2 billion of oil for urgent humanitarian needs under strict UN supervision over the use of the proceeds.

In the past, efforts to talk with Iraq about plans for limited oil sales have failed. The Security Council is not willing to modify its most recent proposal and, U.S. officials say negotiations are out of the question: Iraq can take it or leave it.

Surveys of Iraq made for UN agencies have reported for more than a year that Iraq's civilian population, especially its children, are suffering from malnutrition and the effects of a lack of medicine because of the embargo on oil sales imposed in August 1990 after the Iraqis invaded Kuwait to start the Gulf War.

The Security Council is beginning discussions this week on the possibility of asking for a new study of conditions in Iraq. Some Council members would like the study to assess the government's role in the hardships by its refusal to accept the limited oil-sales plan now on offer.

Diplomats suggest that the possibility of a broad and intrusive UN survey may be a factor in Iraq's decision to appear cooperative.

Last April, the Security Council, in light of Iraqi hardships, authorized $2 billion in sales of Iraqi oil over a six-month period. The plan stipulated that a significant percentage of the revenues would go to an escrow fund to pay victims of the Iraqi invasion and to the needs of Iraqi Kurds.

Iraq has always taken the position that these stipulations amounted to the infringement of Iraqi sovereignty and made the plan unacceptable. Baghdad has held out for an unconditional lifting of sanctions under a 1991 cease-fire resolution passed after the Gulf War, which said that when Iraqi weapons of mass destruction had been eliminated, oil sales could resume. *(Reuters, NYT)*

Peres Won't Let Killings Block Palestinian Vote

Compiled by Our Staff From Dispatches

JERUSALEM — The prime minister of Israel vowed Wednesday that Palestinian elections would proceed as planned on Saturday despite the murders of two Israeli soldiers in the West Bank.

Prime Minister Shimon Peres attributed the slayings to Muslim militants and said: "We'll not let groups like these determine whether or not there will be elections."

An Israeli Army doctor and a soldier were killed in an ambush Tuesday night near Halhoul, a village in the West Bank. No group has claimed responsibility.

Mr. Peres said the attack appeared to be aimed at wrecking the elections. He also said that Israel would fight such attacks with all its might and that he expected Yasser Arafat's security forces to do the same.

Mr. Peres's top policy adviser on Palestinian affairs, General Oren Shahor, said Mr. Arafat needed to crack down harder. "We certainly expect that he do more, and we expect that such things won't happen again," the general said on army radio.

Israel and the Palestinian Authority have received warnings that the Muslim militant group Hamas planned to carry out an attack to avenge the Jan. 5 assassination of its master bombmaker, Yehiya Ayash.

He was blown up when he answered a booby-trapped cellular telephone in Gaza.

Suicide attackers carrying his bombs had killed scores of Israelis, and Israel is widely believed to have been responsible for his death.

The elections will be the first in the 20 months since Israel began handing over parts of the West Bank and Gaza Strip to the Palestinians under the peace arrangement. *(Reuters, AP)*

Dini's Likely Successor Thought to Be Himself

International Herald Tribune

Who will succeed Prime Minister Lamberto Dini as the head of Italy's next government, which will be the 56th since the end of World War II?

After Mr. Dini resigned last week, in a step requested by the center-right coalition led by Silvio Berlusconi, President Oscar Luigi Scalfaro began holding consultations with party leaders.

The growing consensus is that when the dust settles in a few days, the man most likely to be asked to succeed Mr. Dini is Mr. Dini.

While it is possible that another candidate will step forward, and some mention has been made about tapping the Senate president, Carlo Scognamiglio, the internationally respected Mr. Dini appears to have at least two chances:

•If the crisis talks collapse and elections are called, Mr. Dini would almost certainly be designated to lead Italy until the next poll is held, and probably between May and June, to avoid an election in the middle of Italy's presidency of the European Union.

•If the center-right alliance headed by Silvio Berlusconi and the center-left coalition led by Massimo D'Alema were to agree on a government of national unity that would pilot Italy through a limited series of institutional reforms over the next year or so, Mr. Dini would also be the front-runner.

The key difference, however, is that while the former central banker has until now led a government of nonpartisan technocrats, he would likely return as head of a much more political executive if a reform government were approved.

Mr. Dini has had a tough time over the past 12 months, but he still headed the first Italian government to achieve the reductions needed to meet its targeted budget deficit. And the economy, thanks to the lira's depreciation since 1992, enjoyed growth of around 3.2 percent in 1995, and is still likely to outperform France and Germany by a wide margin, with growth forecast at around 2.5 percent in 1996.

Waiting in the wings to follow Mr. Dini, and the man who would likely serve as prime minister if the center-left wins the election, is Romano Prodi, the economist and former Christian Democrat head of the IRI state conglomerate who is also the long-distance runner of Italian politics.

Apart from these two men there are few candidates of stature on the horizon. Mario Monti, the European Commissioner for the single market, is a possible future prime minister, as is Mr. Scognamiglio. But Mr. Berlusconi, busy fighting corruption allegations and apparently decided to be the power-broking kingmaker as leader of Forza Italia, is unlikely to regain the prime ministership. The latest polls show Gianfranco Fini, the neofascist party leader and Mr. Berlusconi's main ally, having eclipsed Mr. Berlusconi in opinion polls. But the ambitious Mr. Fini is still unacceptable because elements of his party remain on the extremist fringe. — ALAN FRIEDMAN

Dragan Filipovic/The Associated Press

A Serbian couple leaving Sarajevo pushing their heavily laden car Wednesday along a crowded mountain road.

ITALY: *Is This Berlusconi's Last Stand?*

Continued from Page 1

and still grappling with massive societal change.

Most Italy-watchers think that the billionaire with the year-round tan, the penchant for commercial television with long-legged dancing girls, and the embarrassingly close friendship with the disgraced former Prime Minister Bettino Craxi, stands a fair chance of being convicted for bribes paid by his Fininvest group to tax inspectors.

His main defense is that he had no personal knowledge and that regardless of the slush fund his company ran, Fininvest executives including his brother Paolo were innocent victims of extortion and not initiators of bribes.

When first confronted with the charges, Mr. Berlusconi asserted in an interview that the amounts of bribes paid were "ridiculously small" or, as he put it, equivalent "to a drop in the ocean, to one liter of water in the whole Mediterranean Sea."

Now, however, as he is also the target of several other criminal investigations in which he and his associates are suspected of having used a Swiss bank account to funnel millions of dollars to Mr. Craxi, and of having tried to blackmail Judge Antonio Di Pietro, the very prosecutor who was investigating him, Mr. Berlusconi may well be on his way to a slow-motion political implosion.

Certainly Mr. Berlusconi is not helped by his close ties to Mr. Craxi, a fugitive from Italian justice who is hiding out in Tunisia and with whom he used to spend every New Year's Eve.

But these are genuinely turbulent times for Italy, and while the bribery charges might sink a normal politician in any other industrialized nation, they need not be as ruinous in the land of Fellini.

Even as fierce an opponent as Romano Prodi, the center-left's leader and self-styled "anti-Berlusconi," noted in an interview Wednesday that during meetings with senior Clinton administration officials in Washington last week "everyone took it for granted that Berlusconi is finished, and I said 'Hey, wait a minute! Don't be so sure. This is Italy.'"

And as if proof of this were needed, there was Mr. Berlusconi on Wednesday morning, nattily dressed in a trademark double-breasted gray suit and blue shirt, surrounded by reporters during a recess in his trial, and merrily prognosticating on the chances of reaching a deal with the center-left in order to delay elections and form a new government that would approve a package of institutional reforms. (Page 8)

On Friday, Mr. Berlusconi will go to Rome to represent his party, Forza Italia, in consultations with President Oscar Luigi Scalfaro on what to do now that Prime Minister Lamberto Dini's government of technocrats has resigned.

For Mr. Prodi, however, the trial of his arch-rival is more than anything else "a reaffirmation of the incompatibility between the role of politician and businessman, especially when the businessman controls a lot of media."

Mr. Prodi argued that such conflicts exist in five separate areas in which Mr. Berlusconi's multibillion dollar empire is active, and that each area is heavily dependent on public legislation; he listed the sectors as television, insurance, financial services, newspaper and magazines, and book publishing.

"The point," said Mr. Prodi, "is that if we don't solve the issue of media in general and specifically of the conflict of interest in the media, then the future of democracy will be in danger."

Mr. Berlusconi, for his part, only entered politics two years ago, using the powerful marketing infrastructure of Fininvest as well as a small army of executives and lawyers who were elected to Parliament with him.

He promised throughout 1994 to create a blind trust in order to separate his interests, but he never fulfilled the promise.

Last year he sold a 20 percent stake in his television empire to a group of investors led by the German media mogul Leo Kirch, an expected witness in the Milan corruption trial, and Prince Walid ibn Talal ibn Abdulaziz of Saudi Arabia.

He has promised to float more shares of his business on the stock market in June or July, but that would clash with elections, and in any case Mr. Berlusconi still has no plans to give up management control.

Standing trial is, of course, an incentive for Mr. Berlusconi to try to delay elections for a while, say analysts. Not only is a corruption trial bad publicity with at least some Italian voters; it also weakens Mr. Berlusconi inside his own coalition, strengthening the hand of Gianfranco Fini, his main ally and the leader of the neofascists.

TROOPS: *American-Russian Camaraderie and a 'Loose Cannon' in the Field in Bosnia*

Continued from Page 1

Staskov — who is outside the chain of command originally agreed to by Moscow and Washington — "a loose cannon" with the capacity to wreak "a lot of damage in very little time."

"This has the potential to go so sour, so sour," a U.S. officer said.

"Things have changed just since we got here," the officer added. "The Communists and nationalists won the Duma elections last month and all of the relationships that we'd worked so carefully to build are suddenly shaky."

Ascendant arch-conservatives in Moscow have criticized the command arrangement hammered out in early winter between the U.S. defense secretary, William J. Perry, and the Russian defense minister, Pavel S. Grachev.

Under that agreement, the Russian brigade in Bosnia is supposed to be under the day-to-day control of Major General William L. Nash, commander of U.S. forces in Bosnia, and "operationally" responsible to Colonel General Leontii P. Shevtsov, who serves as a deputy to General George A. Joulwan, NATO's supreme commander in Belgium. Thus the chagrin at General Staskov's presence.

Other nettlesome issues hover over the Russian deployment. General Nash had hoped to locate the Russian brigade camp close to his Tuzla headquarters. American sources say; instead, the camp was pitched here Friday in Bosnian Serbian territory, a decision that Colonel Alexander I. Lentsov, the Russian brigade commander, implied was made in Moscow.

Moreover, the Russians are late arriving. The first trainload of armored personnel carriers is not expected to reach Bosnia until Jan. 28 and extensive patrolling will begin in early February, according to a senior Russian officer. But under deadlines fixed in the Dayton peace treaty the warring parties are supposed to withdraw their forces from the "zone of separation" by Friday, so the Russian absence puts additional demands on U.S. forces to monitor compliance.

Finally, the relationship between Russians and the Bosnian Muslims remains uneasy at best. A Russian battalion will be based in the Muslim-controlled town of Simin Han and General Sead Delic, commander of the Bosnian 2d Corps in Tuzla, told General Nash last month that "our soldiers are fully mistrusting of the Russians."

Lieutenant Colonel Igor Sevostianikhin, deputy commander of a Russian battalion, said, "The biggest problem is the Muslims," adding, "The Muslim side seems to be ambivalent."

Colonel Lentsov, 39, fought in Afghanistan and a year ago helped lead the disastrous New Year's Eve attack on Grozny, the Chechen capital, an event he has described as "the worst experience of my life." His wife is happy that he has been sent to Bosnia, he told a U.S. officer, "because here I will be safe."

"Bill Nash has an excellent relationship with Lentsov, which began in Germany before the deployment," a U.S. source said. "If you've got a good personal relationship with a former adversary you can do a lot to avoid problems and limit any damage."

Whether those ties will suffice to overcome the obstacles confronting the U.S.-Russian operation will be a key litmus test in Joint Endeavor.

"It's a very new world," said Major John Bushyhead, the 1st Armored Division's chief liaison to the Russians. "The Russian officers told us they never expected something like this. And frankly, we never expected it either."

TAX: *Republican Panel Supports Flat Rate*

Continued from Page 1

ward wealthy Americans while adding more than $1 trillion to the federal deficit over the next seven years.

While flat-tax proponents like to say everyone would gain, tax experts insist that inevitably some will suffer, at least in the short term. Who would suffer most would depend on which deductions are removed.

The effect of the various proposals on Americans living and doing business abroad is unclear. A proposal by the House majority leader, Richard K. Armey of Texas, would end taxation on foreign-source income, which would be a boon to companies doing business abroad, analysts say.

The $70,000 earned-income exclusion clause for Americans living abroad is already under fire. The balanced-budget proposal put forward last week by President Bill Clinton would do away with it.

Whether that would be the case in a complete revision of the tax code is uncertain. U.S. companies have argued for the exclusion clause, saying it helps them keep more American employees abroad to promote overseas sales.

The Kemp panel insisted that a tax code built around its recommendations would bolster economic growth and provide advantages to all.

Such an approach would yield a "fairer, flatter and simpler" system, according to the Senate majority leader, Bob Dole, and the House speaker, Newt Gingrich, writing in the foreword to the report.

The general lines of the Kemp approach are expected to be part of the platform Mr. Dole fashions as the leading Republican candidate for the presidency.

The Kemp recommendations echo earlier proposals from the House majority leader, Mr. Armey.

The report urges these steps:

- Allowing a deduction for Social Security and Medicare payroll taxes.
- Abolishing estate taxes.
- Requiring a two-thirds majority vote in Congress for any future increase in tax rates.
- Encouraging investment either by providing individuals with a deduction for new investment and saving, or eliminating taxation of investment earnings such as interest, dividends and capital gains.

While this plan would spare deductions popular among middle-income Americans, such as those on mortgage interest and charitable donations, the idea of ending the taxation on investment earnings has been sharply criticized, including by some Republicans.

The Forbes plan is among those that would end such taxation.

BAILOUT: *Another French Firm in Debt*

Continued from Page 1

decade. Giat's employees and scores of sub-contractors are the first wave liable to be affected by a long overdue downsizing in the French defense industries — a process that could cost 30,000 jobs ahead of national elections in 1998.

In discussing possible rescue plans for Giat, Defense Ministry officials suggested that foreign partnerships would be considered from any bidder, including U.S. and other non-EU companies. It is a sign of how hard times are changing France's preference for keeping defense companies out of foreign hands, except for Germany.

But finding partners will be difficult — Germany has already stepped back from a planned joint venture with Giat to build armored personnel carriers.

Giat has suffered management problems since it was established in 1990 as a single corporate roof for the arsenals that worked directly for the French army. The change, designed to make these manufacturers more competitive, now appears to have been too little, too late.

Ironically, Giat ran onto the rocks as a result of its sole major commercial success — an order three years ago by Abu Dhabi for 425 Leclerc tanks.

It was a coup for France after the Leclerc lost out to the U.S. Abrams tank or the German Leopard tank elsewhere in the Gulf and in Sweden. The order lent credibility to French assertions that the Leclerc, with its low turret and automatic munitions system, is better designed than the Leopard and offers better mobility and range than the gas-guzzling Abrams.

More important, the 20.5 billion franc order was a financial bonanza for the debt-ridden company because Abu Dhabi agreed to down payments, reportedly amounting to nearly 5 billion francs, starting in 1994.

The windfall turned to disaster when, instead of using the funds to ease its circumstances, Giat's management ventured into the international money markets, speculating on a rise in the value of the U.S. dollar.

The dollar fell, with Giat officials apparently throwing good money after bad to cover trading losses.

In the space of a few months, Giat's debt roughly tripled, a free fall that may not be fully explained by colossal misjudgment. Criminal investigations are likely in the wake of the fiasco, a Defense Ministry official said.

Accusations of mismanagement at Giat have been rife for months, but its executives replied that political pressures before last year's presidential election halted progress in streamlining production and consolidating production sites all over France.

Jews in German Army? Nearly 100 Are Serving, Some in Combat Roles

The Associated Press

JERUSALEM — Jews are serving in the German Army for the first time since before the Holocaust, the Israeli newspaper Yedioth Ahronoth reported Wednesday.

The paper said it was told by the armed forces chief of staff, General Klaus Neumann, that nearly 100 Jewish soldiers, all volunteers, are serving in the army, some of them in combat roles.

Jews are excluded from compulsory military service in Germany if their parents or grandparents were the victims of the Nazis in World War II, or if being in the military would make it difficult to follow religious practices — such as keeping kosher or observing holidays.

The paper interviewed General Neumann during the visit to Germany by President Ezer Weizman of Israel this week. Mr. Weizman said during the trip that he could not understand why any Jew would live in Germany and that he could never forgive Germans for the Holocaust, in which 6 million Jews were killed.

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SHOP: *With Currency Discrepancies, Europe's Consumers Can Buy Cars at Big Discounts*

Continued from Page 1

Ticino in the south and Geneva in the west into Italy and France, where prices in francs and lire are lower than those in Switzerland. In Lugano, an hour's drive from Como, in northern Italy, Christmas sales advertised electronic goods like videocassette recorders and stereos "at Italian prices."

Southern Germans can pay a commission to have a shopping agency track down not just cheaper cars, but fur coats or watches as well. And for those who like to do the shopping themselves, travel agencies organize day trips to Northern Italy.

In Uberlingen, on Lake Constance, Strauss Reisebus charges 53 DM (about $38), to bus German shoppers to Milan, where a favorite item like a Prada trench coat costs about $437, compared with $699 back home in Germany. The outings are so popular that the agency recently increased the number of buses from two to six a month.

The flip side of this bargain-hunting, though, is that big companies — notably car makers — are taking a beating, and thus are big boosters of a single currency.

"You can only have price harmony if you have a common currency," said Hans-Peter Blechinger, a spokesman at Volkswagen's headquarters in Wolfsburg, Germany.

Should that single currency arrive — and there is growing apprehension that it will be years before Italy and Spain, among others, can put their fiscal houses in sufficient order to join a currency union — Europe is expected to more closely resemble the United States. Prices would vary slightly region by region, reflecting income differences, shipping costs and other variables, but there would be fewer sharp differences.

In the meantime, some economists speak admiringly of European consumers' resourcefulness. Gary Becker, the Nobel Prize-winning economist at the University of Chicago, calls the car sales "very ingenious."

Mr. Becker, who on recent trips to Europe has argued against a single currency, would rather see European governments let people buy and sell products like cars in any currency they choose. He cites the example of Russia, where many people, albeit illegally, flee the inflated ruble for the dollar or mark.

By far the most lucrative cross-border market is cars.

In Germany, officials at Mercedes-Benz estimate that of the 40,000 cars they sell in Italy every year, about 10,000 return to Germany. The leading German auto magazine, Auto-Motor-Sport, estimates the size of Germany's reimport market at about 350,000 cars, or one of every 10 sold.

In France, according to the No.1 auto publication, Auto Plus, about 500 reimport dealers are operating, offering the latest-model Renaults and Peugeots, often at 35 percent discounts to the normal French dealer prices. For Europe's automakers, the reimports could hardly be coming at a worse time, with profits squeezed by a lethal combination of stagnating sales and increased production capacity.

The worst damage hit after 1992, when governments in Spain and Italy were forced to devalue their currencies.

North European car makers like Renault and Volkswagen had to hold the line on prices there, despite huge losses incurred when revenues were translated from pesetas and lire into francs or marks. Had they raised prices, they would have risked being squeezed out of the markets.

Last summer, Jacques Calvet, the chairman of Peugeot SA, said that 1994's currency fluctuations cut Peugeot's profits by about $80 million.

Last year, Renault's chairman, Louis Schweitzer, began rationing sales to Spain and Italy and curtailed sales to Spanish car rental companies, because some vehicles were being reimported to France. In Italy, Renault dealerships were monitored to spot sudden surges in demand that might mean cars were being purchased by reimporters.

In Paris, a spokesman for Renault estimated that about 60,000 cars a year, about 3 percent of total French car sales, were reimports.

Independent brokers say they are pressured by the big car makers, though they are reluctant to discuss their business or the car makers' tactics.

Whenever his company is mentioned in the news, Mr. Fournier said, "we have problems with Renault and Peugeot."

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HEALTH/SCIENCE

'Missing Matter': A Cloak of Dead Stars?

By Kathy Sawyer
Washington Post Service

SAN ANTONIO, Texas — Earth's home galaxy, the Milky Way, is enveloped in a vast sphere of unseen "dark matter" in the form of dead stars, according to new evidence reported by an international team of astronomers.

The newly detected objects, known by the acronym Machos (Massive Compact Halo Objects), are most likely burned-out stars called "white dwarfs," the researchers said. They could also include a mix of other stellar remnants including black holes, objects with a gravitational field so strong that not even light can escape it.

Scientists called the findings a major step forward in astronomers' long struggle to locate and identify the "missing mass" in the universe. The new evidence suggests that much of the long-sought missing matter is made of the same materials as the stars and planets, but simply could not be detected until astronomers tried a new technique.

Only 10 percent of the cosmic mass exists in visible, "shiny" celestial objects such as stars and galaxies. The other 90 percent has been detected only through its gravitational influence on nearby visible objects. The mystery of the dark matter is bound up with questions of how the universe formed and has evolved, and what will be its fate.

A debate has raged over whether the missing mass was made up of protons and neutrons like ordinary matter or whether it could be composed of exotic, undetectable elementary particles known as WIMPs (Weakly Interacting Massive Particles).

The new observations tilt the playing field strongly toward the "ordinary matter" advocates. If the early evidence holds up, said John Bahcall, of the Institute for Advanced Studies at Princeton, "this is the most important piece of science I've heard about in the last few years." The findings strongly indicate, he said, that "the 'right stuff' is ordinary stuff."

Dr. Bahcall said the findings are "bad news" for particle physicists because they don't lend support for the existence of exotic particles required by some theories of how the universe has formed and evolved.

Machos are lightless bodies such as sub-stellar objects too small to ignite the thermonuclear fusion that gives stars their shine, dead stars and black holes. To search for such objects, the research team spent two years observing 10 million stars a night, using the latest in high-powered detectors.

The findings of the international consortium of Macho hunters, presented here at the annual winter meeting of the American Astronomical Society, represent a revision of the team's earlier report, which had showed a puzzling shortage of Machos. Their initial results, presented last April, were hailed as the first "significant" detection of galactic dark matter. But those findings also indicated that the total mass of Machos could account for only about 20 percent of the unseen matter that theorists say should be present in the galaxy.

THE revised results indicate that Machos in the size range of white dwarfs could account for at least 50 percent of the galactic dark matter — and possibly all of it.

The difference in the two sets of results is a combination of improved analysis of the original data and the fact that "we now have twice as much data," said David Bennett of Lawrence Livermore Laboratory and the Center for Particle Astrophysics of the University of California at Berkeley.

Those factors made it possible to extend the search to a wider range of objects, he said. The original search had focused on objects ranging from about the mass of Jupiter to about one-tenth that of the sun. The subsequent search included objects less massive than Earth and as massive as the sun.

In order to detect the presence of the invisible Machos, the team uses a technique called microlensing. This refers to the apparent brightening of a background star caused by the gravitational field of a massive object (a Macho) passing almost directly in front of it. (The brightening effect is caused by the bending of light rays by the foreground object's gravity.)

The team uses the 1.27-meter telescope at Mount Stromlo Observatory in Australia to monitor 10 million or more stars nightly in the Large Magellanic Cloud, a satellite galaxy of the Milky Way on the verge of, or possibly within, the Milky Way's theoretical halo of dark matter. The cloud is visible only in the southern hemisphere. Its stars provide a backdrop against which the halo objects can be detected.

While the initial search turned up only three microlensing "events," indicating the passage of a Macho, the new analysis reveals a total of seven such events over two years, representing, on average, more massive objects than those detected initially.

IN BRIEF

Relatives of Patients With Polyps Are at Risk

WASHINGTON (WP) — Close relatives of patients with benign polyps in their colons or rectums run an increased risk of developing cancer in those regions, according to a study published in the New England Journal of Medicine.

As a result of their findings, the investigators from nine medical centers across the United States and one in Britain suggested that people under 60 who are parents or siblings of patients with benign polyps should undergo routine screening.

Since it takes as long as 10 years for these benign polyps to develop, the investigators, headed by Sidney J. Winawer of the National Polyp Study Headquarters at Memorial Sloan-Kettering Cancer Center in New York, said screenings should be done at five-year intervals.

With the cost of medical treatment constantly being evaluated, the researchers said they were unsure whether such screening would be cost-effective even though it could help reduce the incidence of colon and rectal cancers.

Hope, and Also Caution, About New Malaria Drug

NEW YORK (NYT) — The apparent success of a malaria drug being tested in Africa has given rise to both hope and cautionary tales about the development of new drugs for this ancient disease.

In the current issue of the journal Lancet, researchers working in Cameroon reported a 100 percent cure rate among 40 patients who took an experimental drug, pyronaridine. The patients all had falciparum malaria, the most severe form of the disease. By contrast, patients in the study who took the most widely prescribed drug, chloroquine, had a cure rate of only 44 percent.

New antimalarial drugs like pyronaridine are always sought after, because the parasites that cause the disease develop drug resistance so quickly. Chloroquine, the first-choice medication since the 1940s, has virtually stopped working in parts of Africa and Asia.

But even the head of the research team, Dr. Pascal Ringwald of the French institute Orstom, viewed the results with caution. The drug may eventually prove useful, he said, "but we need further studies." One reason for this caution is that very little is known about pyronaridine beyond this study.

The Tangled Schliemann Trail

By John Noble Wilford
New York Times Service

NEW YORK — Heinrich Schliemann, the wealthy German entrepreneur and driven excavator of ancient Troy and Mycenae, epitomized the heroic age of archaeology in the 19th century. His discoveries were public sensations, seeming to solve intriguing mysteries about antiquity and bringing to light glittering treasures of gold and bronze. His most celebrated excavations in the 1870s established that the Troy of Homer was not a mythical place, but a real city whose ruins he had uncovered in Turkey.

More than a century later, Schliemann is again making waves in archaeology. In a new biography, Dr. David A. Traill, a classics professor at the University of California at Davis, portrays Schliemann as unscrupulous and deceitful in his personal life and repeatedly guilty of falsifying his excavation reports. The author concludes from a thorough study of Schliemann's own writings that the famous archaeologist was very likely a pathological liar.

Dr. Traill's book, "Schliemann of Troy: Treasure and Deceit," published this month by St. Martin's Press, poses a disturbing question for archaeologists: if Schliemann was so untrustworthy, how can anyone rely on the reported results of his research as a basis for interpretations of Bronze Age history?

Archaeologists, in general, acknowledge Schliemann's unsavory side, aspects of which were suspected by his contemporaries. Nevertheless, they rush to his defense. While conceding a need to be especially careful and critical in assessing his work, they maintain that on balance, his excavations are a reliable foundation for modern scholarship. They point out that his meticulous records of each dig were a model for future archaeological practices.

Reviewing the British edition of the biography, Dr. Anthony Snodgrass, an archaeologist at Cambridge University, wrote in the journal Nature last November that Traill "has proved beyond argument that Schliemann, if not a complete psychopath, was an unsavory character, egocentric, a bully to the weak and a sychophant to the powerful, and, above all, profoundly dishonest."

Then Dr. Snodgrass followed with the question: How much does this really matter? His own answer is, not much. "Schliemann's discoveries, however much embroidered and added to by his dishonesty," he asserted, "were real enough: the buildings at least, even older than he himself thought them, are there for all to see. Even when we catch him red-handed 'salting' his discoveries, the intrusive objects mostly turn out to belong to the right period (a point that Traill does not fully face)."

Culver Pictures Inc.

Schliemann and his wife, Sophia, wearing a "Priam treasure" diadem.

But Dr. Traill disagrees. While conceding that the greatness of Schliemann's achievements and "their enduring significance are beyond dispute," he, nonetheless, contends that his dishonesty cannot be swept under the rug, for the truthfulness of researchers is of even more importance in archaeology than in most other fields.

"In the 'hard' sciences the findings of one research team are generally not accepted until they have been replicated in another laboratory," Dr. Traill pointed out in the biography. "In archaeology, however, there is no second chance. The excavation of, say, a gold vase in a particular corner of a particular site cannot be replicated. Archaeology is therefore entirely dependent, to a degree that is not always appreciated by archaeologists themselves, on the truthfulness of the excavators."

As a prime example of Schliemann's dishonest practices, Dr. Traill cites the discovery at Troy of the "Treasure of Priam." He makes a strong case that this trove of gold, silver, bronze and rock crystal, attributed to King Priam of the Homeric epic, was not found in one place inside the Trojan walls, but was an assemblage of artifacts collected at several places, some outside the walls, and on different occasions.

Controversy over Priam's treasure is nothing new. Schliemann himself confessed later that he had embellished the account of its discovery. Subsequent research dated the artifacts at 2200 B.C. or earlier, or about 1,000 years older than Homeric Troy, a conclusion that Schliemann accepted before his death in 1890. More recently, the treasure, which had been housed in a Berlin museum, was seized as war booty by Russian troops entering the city in 1945. The treasure is scheduled to go on display in Moscow in April, for the first time since its disappearance, while Germany, Russia, Greece and Turkey continue to dispute ownership.

DR. Traill and other scholars previously established that, contrary to the impression he encouraged, Schliemann was not the first to identify the mound at Hisarlik, near the Dardanelles in Turkey, as ancient Troy nor the first to conduct systematic excavations there. In an article last year in Archaeology magazine, Dr. Susan Heuck Allen, a classical archaeologist in Providence, Rhode Island, described the accumulating evidence showing that Frank Calvert, a British expatriate living at Hisarlik, had already begun digging at a mound on his farm and apparently persuaded the visiting Schliemann that this was the site of Troy.

Responding to the many allegations in Dr. Traill's book, as well as similar revisionist writings by Dr. William M. Calder 2d, a classics professor at the University of Illinois, archaeologists familiar with Schliemann's work and today's excavations at Troy said in interviews that for all his shortcomings, Schliemann was not a pathological liar, his excavations were not a fraud and for the most part, his work could be trusted.

FASHION

In Milan, Lean Times

Armani Bucks Trend to The Skimpy

By Suzy Menkes
International Herald Tribune

MILAN — Narrow jackets, skinny pants, skimpy coats — Italy's new fashion season suggests that men are in for a lean time. A change in silhouette and attitude marked the menswear shows for fall-winter.

Since most men prefer something more comfortable, they will turn to Giorgio Armani, whose mammoth show Wednesday featured jackets with room to move and coats to go over them. He closed the Milan menswear season with a banner pronouncing "For Citizens of the World."

To prove it, kilts, dhoti trousers and ethnic clothing were worn with Armani attire.

The immense worldwide success of Armani is the designer's triumph and his problem. If he chose to pull out 25 key pieces — a narrow jacket with slim-hipped pants from Emporio, a fine-waisted suit or a brief half-belted coat — he could focus attention on the evolution of his signature look. But most of the impeccable soft suits, pleated pants and trim calf-length coats look like familiar friends in a slightly different guise with a jaunty pimento red scarf or a geometric sweater.

So in this parade designed to feed the world's stores, the eye is caught by the atypical and even the ridiculous, such as stretch velvet leggings or baggy striped knickers. Almost unnoticed are the super-subtle earth, forest and sky colors introduced to Armani's pallid palette.

His show, which included ski, sport and jeans ranges, offered more than most in Milan. And it seemed like a river without a strong current of direction.

The changing silhouette of menswear's new classics was pinpointed at Gucci, where the designer Tom Ford hit perfect pitch with his thin-man coats that traced the body like a pencil stroke.

This was a show where lean, mean shapes, sometimes given a hint of aggression with military buttons or epaulettes, met luxurious fabrics: deep-pile alpaca sweaters, glossy leather, camel hair and pony skin that was used for both jackets and the newest Gucci shoe. A single color streamlined the narrow silhouette from head to toe.

After the hip parade celebrating Gucci glory years in earlier seasons, Ford had the courage and the design maturity to rein in. Gone were the retro references, except for the sleek Mod silhouette and deluxe-hippie velvet suits. Banished too were the overt Gucci geegaws. Off-center belts with a discreet signature fastened flat-front skinny pants whose hint of a flare covered any bar-and-bit buckles on shoes.

The focus of the show was on cut with the fitted coat, half-belt at back, the V-neck sweater and those slim-leg pants summing up the changes sweeping menswear as a new generation defines the lines.

THE Clark Kent look — complete with horn-rimmed spectacles — at Dolce & Gabbana marked another svelte, modern show. All the things for which Mr. Regular was once despised — his car coat, his tidy belted raincoat, his double-vent office suit, his green quilted nerdy anorak — were given a fashionable spin.

Even the short-sleeved sweater, last seen in the 1970s over billowing shirt sleeves, looked like desirable modern knitwear.

Fit was the key to this fine collection, with classic coats (think knee-length camel) and tweed suits or the more romantic velvet suits all cut to suggest a manly sexiness that gave Dolce & Gabbana's apparently classic looks an edge. The D&G line shown Wednesday in a nightclub was a witty celebration of nerd chic with its dowdy car coats, V-neck golf sweaters and had Sta-Prest-style pants just like dad or granddad once wore.

Christopher Moore

Gucci's pale pony-skin short coat and slim pants.

WHERE is the man who will admit that he needs padded underwear? That was the secret weapon at Valentino, where the launch of the Olympia contoured undergarments was the most exciting thing about the show. Urban cowboy looks in the Oliver junior line strained to be hip, with black leather jeans and matching ruffled shirt and plaid pants.

The Valentino line was a typical designer menswear collection with a focus on knits: sweater boys in ribbed camel, pale cabled cashmere and Lurex sweaters, the better to serve the cult of the masculine body.

The sweater was also big at Krizia and Fendi. The zippered, thick-knit collared cardigan in check or in tactile chenille was a strong sportswear look at Krizia uomo, where short tailored coats, Eisenhower jackets, narrow pants and velvet suits endorsed current trends. Fendi's shearling coats, leather jackets, refined tweed suits and soft cardigan jackets made the luxury sportswear that is the bedrock of Italian men's fashion.

The dilemma for menswear houses — many offering walk-through showroom presentations — is how to give them some action. Hugo Boss turned its various lines into a blitzkrieg of a show that marched out the trends: slimmish suits, leather coats, cord pants, gray flannel, velvet, vinyl, jewel-colored velvets, citrus shades in techno fabrics. And so on and on. Moschino presented a Mozartian opera (bored king, sycophantic courtiers, over-eager tailor and full orchestra on stage). That gave the theme of crown motifs and fancy velvets grafted on to regular tailoring and denim.

But the real change is in shape where the generational move away from straight-backed macho-shouldered blazer worn with baggy pants has brought modern Italian menswear back to the body line.

BRIDGE

By Alan Truscott

BOB Blanchard's regular partner recently has been Jim Krekorian. Together they won the Flight A Regional Swiss Teams in New Brunswick, New Jersey, and the diagramed deal was a factor. Blanchard and Krekorian, as North-South, bid aggressively to six no-trump. In their methods, the four-heart response to the Gerber four-club bid showed either one ace or four aces, and it was clearly the latter.

NORTH
♠ 9 4
♡ Q 10 3
◇ K 7 2
♣ K Q 10 7 6

WEST
♠ Q 8 7
♡ 8 5
◇ J 10 9 8
♣ 9 5 4 3

EAST
♠ K 5 3 2
♡ K J 9 7 6
◇ 6 5 4 3
♣ —

SOUTH (D)
♠ A J 10 6
♡ A 4 2
◇ A Q
♣ A J 8 2

Both sides were vulnerable. The bidding:

South	West	North	East
2 N.T.	Pass	4 ♣	Pass
4 ♡	Pass	6 N.T.	Pass
Pass	Pass		

West led the diamond jack.

Krekorian won the opening diamond lead with the ace, crossed to the club king and led the spade nine. There was a case for leading low, but he hoped that East would play low, and he did. As it happens, covering with the king would not have helped the defense, since the spade six becomes an improbable fourth-round winner.

The finesse lost to the queen and West returned a diamond to the queen. Now South cashed the heart ace, a Vienna Coup, and ran clubs to reach this ending:

NORTH
♠ 4
♡ Q 10
◇ K
♣ —

WEST
♠ 8 7
♡ —
◇ 9 8
♣ —

EAST
♠ K 5 3
♡ K
◇ —
♣ —

SOUTH
♠ A J 10
♡ 4
◇ —
♣ —

When the diamond king was led, East could not stand the pressure. He threw a spade, and South finessed in spades, making a slam that was not bid in the replay.

BOOKS

THE SIXTH EXTINCTION: Patterns of Life and the Future of Humankind

By Richard Leakey and Roger Lewin. 271 pages. $24.95. Doubleday.

Reviewed by Charles C. Mann

RICHARD Leakey's message is blunt. Humankind "is in the throes of causing a major biological crisis, a mass extinction," the distinguished paleontologist and conservationist warns in his new book. "And we, Homo sapiens, may also be among the living dead."

Written with the respected science writer Roger Lewin, "The Sixth Extinction" provides a paleontological perspective on the current wave of concern for our natural heritage, comparing today's crisis to earlier mass extinctions in the Earth's history. It also puts the current state of biodiversity in the context of recent findings in evolutionary biology and ecology which emphasize the role of chance in the development of species and biological communities. For the most part, Leakey and Lewin are successful; indeed, this book is the most lucid and thoughtful short exposition of these new scientific perspectives that I have ever read.

Oddly, though, the discussion of the extinction crisis itself falls short of the standard set by the rest of "The Sixth Extinction." Almost between one page and the next, the tone changes. Where once the reader was guided by a passionate but properly cautious and circumspect scientist, a new guide appears — a shrill polemicist who is a touch weak on the facts. The abrupt switch is disappointing, because the world could use a careful explanation of what we do and do not know about the extinction crisis and the complex tradeoffs involved in choosing our response.

From the beginning, "The Sixth Extinction" emphasizes that accident has played an enormous role in the history of life. "Gone is the traditional notion of success through superior design," Leakey and Lewis write, "yielding a world populated by species of steadily improving adaptation and complexity. Enter a world populated by lucky survivors in a game of chance." Most extinctions did not occur because species were somehow "unfit"; instead, like passersby killed in shooting sprees, they were inadvertently caught up in huge disasters that destroyed millions of species. There have been five of these mass extinctions, of which the most famous claimed all the dinosaurs; a sixth, the authors suggest, is occurring today.

The cause of what Leakey and Lewin call "the Big Five" has been the subject of passionate argument for at least a decade. In simple terms, some scientists believe that the most likely culprits are slow changes in climate or the drifting of continents; others point to abrupt catastrophes like gigantic volcanic eruptions or asteroids hitting the Earth. In a model of science writing, the authors weigh the evidence for both sides, explaining strengths and weaknesses. Then, giving their reasons, they cautiously come down on the side of sudden catastrophes.

They treat the current extinction episode differently. Rather than explore the debates over how to characterize the problem and its best solution, the authors focus on refuting a straw man — Julian Simon, a maverick economist at the University of Maryland who denies that extinction is on the rise. Leakey and Lewin discuss his positions, and Simon comes off poorly. But that does not mean the exercise has been illuminating. Indeed, it seems like little more than an attempt to tar as "willfully ignorant" those who worry about the economics of extinction.

Leakey and Lewin write that they "would not argue that each and every species in the world must be saved, especially at the cost of maintaining human welfare." Fair enough, but how many species can we lose, and how should we make the decision? On the next page, Leakey and Lewis provide their answer: Save them all.

"In the face of ignorance about how much of current biodiversity we need in order to sustain a healthy Earth's biota," they ask, "is it more responsible to say (1) because we don't know if we need it all, we can safely assume we don't; or (2) we recognize the complexities of the system, and assume we do?" The correctness of answer (2) — we must save all biodiversity, because we need it all — is "obvious," they argue, "because the costs of being wrong on the first count are enormous." But it isn't obvious, because "the cost of maintaining human welfare" may well be substantial.

Conservationists such as Norman Myers, author of "The Sinking Ark," have convincingly argued that the root cause of much biodiversity loss, especially in the tropics, is the desire of the world's poor to better their lives. Indeed, it is difficult to imagine how we can save everything without forcing the Third World to bear the brunt — a dismaying thought. Many economists say that the North cannot simply present the South with guilt money, somehow expecting to create affluence without ecological impact. If this is true, we face awful tradeoffs between the dreadful risks to ecosystems posed by extinction and the dreadful risks to the poor posed by frustrating their fundamental desires.

How dissatisfying it is to see this book, after its marvelous beginning, avoid the bewildering complexities of trying to safeguard them both.

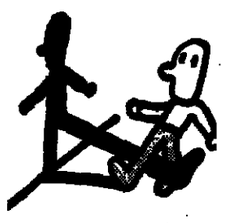
Charles C. Mann, the author, with Mark L. Plummer, of "Noah's Choice: The Future of Endangered Species," wrote this for The Washington Post.

WHAT THEY RE READING

• **Dominique Belmas**, comanager of Souleiado interior decoration in Saint-Paul-de-Vence, in southern France, is reading *"Belle du Seigneur"* by Albert Cohen.

"It's both magnificent and terrible. You're undergoing your own downfall; it's so gripping."

(Charlotte Sector, IHT)



International Herald Tribune
BUSINESS / FINANCE
THURSDAY, JANUARY 18, 1996

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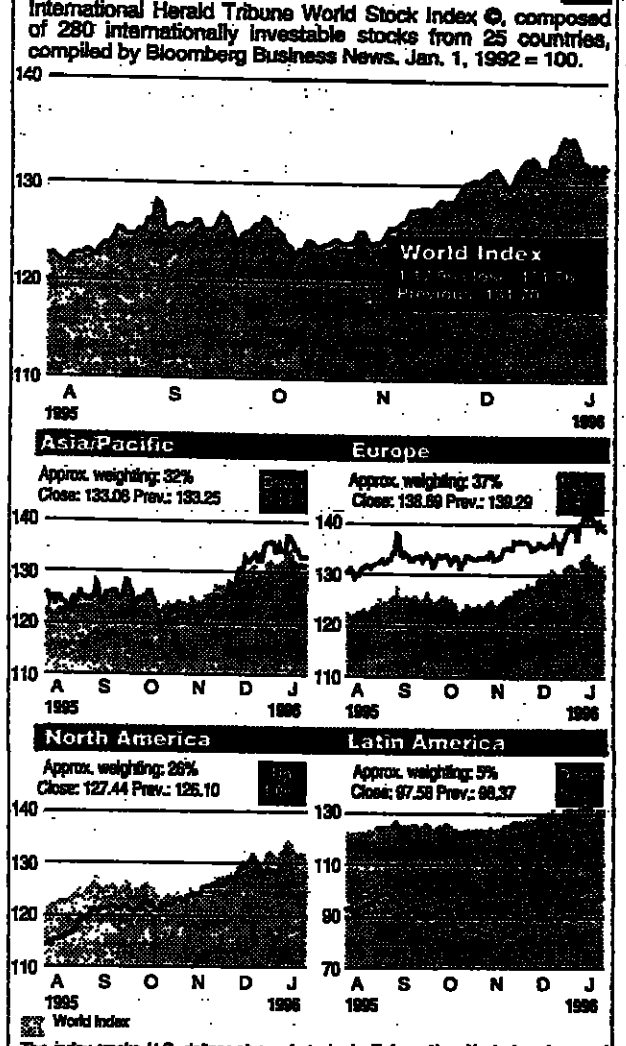

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Industrial Sectors

	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	134.62	134.24	+0.28	Capital Goods	130.55	129.05	+1.16
Utilities	131.08	131.25	-0.13	Raw Materials	142.67	143.53	-0.60
Finance	125.96	126.59	-0.50	Consumer Goods	137.60	136.90	+0.51
Services	122.98	123.31	-0.27	Miscellaneous	137.92	139.04	-0.81

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Daimler To Absorb AEG Unit

Loss of 6,000 Jobs Is Feared by Union

Compiled by Our Staff From Dispatches

FRANKFURT — Daimler-Benz AG, Germany's largest industrial concern, announced Wednesday that it planned to fully absorb AEG AG, its electronics unit and a stalwart of German industry established in 1883.

Daimler-Benz said AEG would be merged into the parent company, effective retroactively to the beginning of 1996. The company's workers estimated 6,000 jobs would be lost, far above Daimler's estimates.

Compensation for AEG shareholders, who hold about 12.35 percent of the company's capital, will be decided by Daimler management and shareholders and scrutinized by a court-appointed authority.

Until then AEG shareholders will be able to take advantage of an existing offer to exchange 5 AEG shares for 1 Daimler share.

Union representatives said the company told them the merger would cost 1,700 jobs, including 500 jobs in AEG's power distribution unit in Europe and 1,200 jobs worldwide in its automation unit.

But the union said it believed the job losses would be much higher. Of 7,600 workers in the power distribution unit, 3,000 would be losing their jobs, while in the automation division, 2,500 of 5,700 workers worldwide are likely to lose their jobs, it added.

Four AEG divisions are to remain within the Daimler-Benz group, while the sales of two other divisions, announced previously, already are being negotiated.

Separately, Philips Electronics NV said it disbanded its communication-systems division and folded its parts into other divisions. The division, which made products ranging from fax machines to cordless telephones in coordination with the former Philips division PKI, employs 8,500. *(Bloomberg, AP)*

Blinder to Exit Fed

No. 2 Official Is Inflation Dove

By Louis Uchitelle
New York Times Service

Alan S. Blinder will leave as vice chairman of the U.S. Federal Reserve Board when his term ends in two weeks, he said Wednesday.

Mr. Blinder, who was named to the Fed in June 1994 to finish the term of David W. Mullins, has been the chief voice within the nation's central bank for reducing interest rates to stimulate the economy. His departure comes at a moment when the economy appears to be weakening.

The Fed's control of short-term interest rates gives it powerful leverage to try to stem any such weakness, which could become an issue in this election year.

The announcement put an end to speculation that President Bill Clinton might try to keep Mr. Blinder in place as the administration's most influential appointee to the Fed.

Mr. Blinder, a respected economist from Princeton University, was Mr. Clinton's first appointee to the central bank's seven-member board of governors. There was some speculation at the time that Mr. Blinder, who served on the White House's Council of Economic Advisers in 1993 and early 1994, would eventually be the president's choice to replace Alan Greenspan, whose current term ends in March.

The Republican congressional victory in 1994 put an end to White House hopes that Mr. Blinder — often thought of on Wall Street as too willing to tolerate some inflation to keep the economy growing — could ever gain Senate approval to replace Mr. Greenspan. Mr. Clinton is now widely expected to nominate Mr. Greenspan, who has no significant opposition in Congress, to a third term as chairman.

Wall Street, which historically has preferred strong anti-inflationary policies from the Fed, is expected to be glad to see Mr. Blinder leave.

"The constituency for easy money — low rates — at the Fed has just lost one of its most outspoken champions," said Stephen Roach, chief economist at Morgan Stanley & Co.

In his letter, Mr. Blinder, who is 50, is said to have told Mr. Clinton that he must return to Princeton at the end of this month, when his Federal Reserve term expires. By failing to return, he risks losing his tenured position as an economics professor.

Mr. Blinder's resignation leaves two empty seats on the Fed board. John P. LaWare resigned last year, and Mr. Clinton's effort to appoint Alicia H. Munnell, a Treasury official, as Mr. LaWare's replacement met with a storm of protest in Congress.

U.S. Data Show Economy Slowing To a Snail's Pace

The Associated Press

WASHINGTON — The U.S. economy was clearly weakening at the end of 1995 with one widely watched forecasting gauge even flashing warnings of a recession, according to a series of economic reports released on Wednesday.

Ending a statistical drought created by the 21-day government shutdown, the Commerce Department reported that America's trade deficit showed a slight improvement in October, narrowing by 2.5 percent to $8.04 billion as exports and imports declined.

Meanwhile, the Index of Leading Economic Indicators, a key barometer of future economic activity, declined by 0.3 percent in November, following a 0.5 percent drop in October. While the September performance was earlier reported as a decline, it was revised Wednesday to show no improvement.

The Conference Board, the private body that has taken over the gauge, said the index has fallen by 0.7 percent over the six months ending in November, a signal that in the past has translated into much slower growth down the road and in some cases outright recessions.

In a third report, the Federal Reserve Board said Wednesday that 1995 ended with the economy growing at a "generally modest pace" marked by a lackluster Christmas season for many retailers and growing weakness in manufacturing.

The Fed survey, compiled from reports from its 12 regional banks, noted that holiday sales were below expectations, forcing widespread discounting among retailers.

Analysts said the Fed report of a slowing economy may influence the central bank to cut interest rates. The Fed's policy makers next meet on Jan. 30 and 31.

"We have an economy that has no strength," said Lawrence Chimerine, chief economist at the Economic Strategy Institute in Washington. "Whether we are heading into a recession or not is debatable, but the one thing that is clear is the economy has been flat for the last month or two."

The White House hailed the improvement in the trade report as proof that its strategy of emphasizing market-opening trade agreements was working.

"We are making real inroads in our trade deficit," said U.S. Trade Representative Mickey Kantor.

Despite overall improvement in the trade report, it showed the deficit getting worse with many individual countries. The deficit, for example, with Japan jumped by 11.1 percent to $4.79 billion, its first gain in seven straight months.

Deutsche Telekom to Face a New Competitor

Compiled by Our Staff From Dispatches

DUSSELDORF — Vebacom AG, the joint venture of Cable & Wireless PLC and VEBA AG, will combine its telecommunications network with a Mannesmann AG unit in an onslaught against Deutsche Telekom AG, the companies said Wednesday.

"This joint venture represents a major contribution to the development of competitive market structures in Germany," said Peter Bloss, managing director of Mannesmann Eurokom GmbH.

Germany's market will not be fully open to competition until 1998, the date set by the European Commission for deregulation of all telecommunications services. That includes voice calls, which constitute more than 80 percent of telephone traffic.

The 50-50 joint venture, to be based in Hannover, Germany, will set up a network of fiber-optic and microwave links to provide telephone, cable television, and other communications services.

"This will create major cost savings on capital expenditure and operating costs for both companies," said John Docherty, a director at Cable & Wireless.

He said the companies would continue to compete with each other on telecommunications services they run over the joint network. Mannesmann and Vebacom already compete in providing mobile phone service and corporate networks.

"It's a very strong alliance," said Peter Roe, an analyst for Paribas Capital Markets in London. "It minimizes the chance of excessive competition. It's a very good idea showing the pragmatic nature of the companies involved." *(Bloomberg, Reuters)*

INTERNATIONAL MANAGER

USAir Gets an Old Hand as New Chief

By Adam Bryant
New York Times Service

NEW YORK — Stephen M. Wolf, the former chairman of United Airlines' parent company UAL Corp., apparently prefers the smell of jet fuel to roses.

Mr. Wolf, who said in 1994 that he was looking forward to pursuing hobbies after orchestrating the employee buyout of United Airlines that put him out of a job, will become the chairman and chief executive of USAir Group Inc. starting on Monday.

He will replace Seth E. Schofield, who said in the autumn that he would step down from his 38-year career at USAir when a successor was found.

The announcement surprised many analysts, who were expecting USAir to go outside the industry for a new leader. Many analysts also said they were surprised that Mr. Wolf, who they thought needed neither the money nor an opportunity to strengthen his reputation, would be interested in the job.

Mr. Wolf declined to comment on his appointment, but said in a USAir statement, "I have long viewed USAir as an airline with tremendous potential, and I eagerly look forward to joining the 42,000 employees of USAir in building the company for the future."

Analysts said the appointment of Mr. Wolf, 54, boded well for USAir, which has been struggling financially for years in part because it has the highest cost structure in the industry.

The company and its unions have also been unable to agree on ways to meet USAir's goal of achieving $500 million in annual savings through labor concessions.

"One thing about Steve Wolf is that he makes things happen," said Paul Karos, an airline analyst at CS First Boston. "I don't know what that means yet, but I think it's very positive."

Mr. Karos and other analysts said they believed that in light of Mr. Wolf's record, he would pursue one of two strategies, or perhaps both.

One would be to work with organized labor to reduce costs, perhaps trading wage and productivity concessions for representation on the board and an equity stake in the company.

If he were to achieve such cost savings, as he did through the employee buyout in 1994 at United Airlines, USAir may well be able to survive, even thrive, on its own. After all, USAir made operating improvements last year that will save the company up to $500 million annually.

"There are a lot of good things under way at USAir," said Brian Harris, an analyst at S.G. Warburg & Co.

But Mr. Wolf might also try to repeat past performances at Flying Tiger Inc. and Republic Airlines Inc., where he won concessions from labor that helped make them more attractive acquisition targets for Federal Express Corp., which bought Flying Tiger in 1989, and Northwest Airlines Inc., which bought Republic in 1986.

Last autumn, USAir said it was in merger talks with both United Airlines and AMR Corp.'s American Airlines. Although those talks eventually broke off, they nonetheless made it clear that USAir was interested in being acquired, and that United Airlines was interested in USAir.

The likelihood that Mr. Wolf will pursue these strategies appears much more certain than the answer to this question: How well will USAir's unions work with Mr. Wolf?

USAir's largest unions — the Air Line Pilots Association, the International Association of Machinists and the Association of Flight Attendants — declined to comment Tuesday night on the announcement of Mr. Wolf's appointment.

Pilots at United Airlines and other carriers hold opinions of Mr. Wolf that vary widely. Some respect him for the way he built United Airlines into the largest airline in the world, in part by deft moves to build its international routes. Others, however, say that he has enriched himself at the expense of workers at every airline he has run.

Robert Healy, who has been a USAir pilot for 18 years, said he was "cautiously optimistic."

"There's been mixed reviews of him from other people in the industry," he added. "However, we've got a great franchise and I'm sure he realizes that. The fact that he is well known in the business will be most helpful in attracting other experienced people to the organization."

Apple Abandons Low-End Market

Compiled by Our Staff From Dispatches

SAN JOSE, California — Apple Computer Inc., bleeding red ink, said Wednesday it would lay off 1,300 workers as part of a major reorganization, but its chief executive, Michael Spindler, apparently survived the shakeup.

The company also said it would leave the market for low-cost Macintosh computers to clone manufacturers and concentrate on more expensive models.

"The most immediate and obvious work we must undertake is to quickly streamline operations," said Mr. Spindler, whose future with Apple prompted speculation. "The workforce reduction is a necessary first step."

Apple said it expected to take a $125 million charge before taxes in the second quarter to account for the restructuring, which is to cut 8 percent of the company's workforce of about 14,000. The company reported a loss of $69 million for the three months that ended Dec. 29 because of disappointing sales.

The company has been squeezed by competition with companies like Compaq Computer Corp. and Packard Bell Electronics Inc., whose computers are built around Intel Corp. chips and Microsoft Corp. software. Apple's expenses are greater because it develops its own operating system.

Apple's market share fell from 9.4 percent in 1993 to 7.4 percent in the second quarter of last year, according to the market researcher Dataquest Inc. of San Jose. After a cutting prices, Apple bounced back in last year's third quarter to 9 percent, but the most recent sales figures indicate another decline.

Many analysts believe Apple's most serious mistake was not letting other companies make copies of the Mac until late 1994, missing its chance to set an industry standard. Mr. Spindler said Wednesday that Apple would try to expand licensing of the Macintosh operating system to encourage software companies to make compatible products. *(AP, Reuters)*

China Says Moves Won't Impede News

By Kevin Murphy
International Herald Tribune

HONG KONG — A Chinese official denied Wednesday that an edict establishing tighter control of business news in China would affect the "real- time" information upon which financial markets and some news agencies depend.

But with scant official clarification about the measures announced Tuesday, foreign news agencies and analysts could only speculate how the tighter controls would be carried out.

"At this stage we are not sure what it all really means," said Jim Rohwer, chief economist for Asia with CS First Boston, by no means alone in uncertainty about the moves. "But if they are going to be trying to stop information on Chinese markets or Chinese companies' performance getting out, it will disturb foreign investors."

On Tuesday, China's official Xinhua news agency stunned its foreign competitors by announcing they would now have to distribute their computerized data and information services through Xinhua — for a fee. Xinhua also said that the ruling Security Council had empowered it to punish those who disseminated "forbidden" news.

One Xinhua official Wednesday sought to play down reports that the moves meant that the agency would censor financial news before allowing it to bent to the clients of foreign news services in China, Reuters reported from Beijing.

"We will not restrict freedom to release news," the official said.

The official also said that the moves would not slow the flow of financial information in China.

"We are not willing to affect financial markets," the official said. "It will not and could not possibly affect the effectiveness of real-time news."

But another official said Xinhua would "intervene" if foreign news services "broke the law."

CURRENCY & INTEREST RATES

Cross Rates

Jan. 17

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.6485	2.511	1.1202	0.3279	0.1035*	—	5.4515*	1.3004	1.5540*	1.199	1.33*
Brussels	30.06	46.105	20.555	6.017	1.9002*	18.354	—	25.485	0.2847	21.95	24.40*
Frankfurt	1.4617	2.2435	—	0.2924	0.9253*	0.8929	4.866*	1.24	1.3858*	1.0674	1.1873*
London (a)	1.5283	—	2.2413	7.6549	2,420.87	2.5095	45.9615	1.8008	161.17	2.0715	188.385
Madrid	123.212	189.007	84.259	24.635	7.79*	75.33	4.0999	104.09	116.709*	89.983	—
Milan	1,582.50	2,428.15	1,081.95	316.45	—	966.80	52.63	1,342.19	15.026	1,154.85	12.809
New York (b)	—	1.5235a	1.4705	5.0235	1,584.00	1.647	30.22	1.1087	105.65	1.2085	
Paris	5.0015	7.6725	3.42	—	0.3162*	2.9538	0.1664	4.2471	4.7400*	3.6404	4.0605*
Tokyo	106.65	162.74	72.34	21.18	0.67	64.60	3.5271	89.64	—	77.52	0.8586
Toronto	1.3659	2.078	0.9285	0.2718	0.0864*	0.8292	0.4571*	1.1489	1.2942*	—	1.103*
Zurich	1.1807	1.8093	0.8071	0.2363	0.0747*	0.7286	3.9274*	—	1.1199*	0.8622	0.9585*
1 ECU	1.2919	0.8422	1.8871	6.4613	2,043.43	2.1158	38.8242	1.5235	136.293	1.7705	159.133
1 SDR	1.4802	0.958	2.1143	7.2975	2,321.89	2.3796	43.6813	1.7134	154.999	2.0205	178.811

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9993	Greek drac.	240.09	Mex. peso	7.50	S. Afr. rand	3.642
Australian $	1.3514	Hong Kong $	7.7315	N. Zealand $	1.5094	S. Kor. won	791.60
Austrian sch.	10.275	Hung. forint	141.38	Norw. krone	6.417	Swed. krona	6.663
Brazil real	0.972	Indian rupee	35.875	Phil. peso	26.21	Taiwan $	27.43
Chinese yuan	8.2928	Indo. rupiah	2293.50	Polish zloty	2.49	Thai baht	25.26
Czech koruna	26.96	Irish £	0.6308	Port. escudo	151.31	Turkish lira	60053.5
Danish krone	5.661	Israeli shek.	3.1377	Russ. ruble	4680.	UAE dirham	3.671
Egypt. pound	3.3915	Kuwaiti dinar	0.2998	Saudi riyal	3.75	Venez. boliv.	380.00
Fin. markka	4.4473	Malay. ring.	2.5567	Sing. $	1.4157		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5308	1.5298	1.5288	Japanese yen	105.22	104.80	104.36
Canadian dollar	1.3691	1.3691	1.3693	Swiss franc	1.1772	1.1738	1.1701
Deutsche mark	1.4615	1.4593	1.3920				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

Jan. 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 mo.	5⅜-5½	3⅝-3¾	1½-1⅝	6⅜-6 7/16	4⅝-4⅞	⅜-½	4 13/16-4 15/16
3 mo.	5¼-5½	3⅜-3½	1½-1⅝	6 5/16-6½	4½-4⅝	½-⅝	4 11/16-4 13/16
6 mo.	5¼-5⅜	3⅜-3½	1 7/16-1 11/16	6 5/16-6⅜	4½-4⅝	½-⅝	4⅝-4¾
1 yr	5 1/16-5¼	3 5/16-3 7/16	1 9/16-1 11/16	6 3/16-6⅜	4½-4⅝	⅝-¾	4 9/16-4 11/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5¼	5¼
Prime rate	8½	8½
Federal funds	6¼	5⅝
3-month CDs	5.07	5.09
Comm. paper 180 days	6.11	6.11
3 month Treasury bill	4.98	4.99
1-year Treasury bill	4.76	4.78
2-year Treasury note	5.04	5.04
5-year Treasury note	5.29	5.32
7-year Treasury note	5.41	5.45
10-year Treasury note	5.57	5.62
30-year Treasury bond	6.01	6.06
Merrill Lynch 30-day RA	5.20	5.21
Japan		
Discount rate	0.50	0.50
Call money	0.40	0.40
1-month interbank	0.47	0.44
3-month interbank	0.56	0.53
6-month interbank	0.56	0.53
10-year Govt bond	2.80	2.86
Germany		
Lombard rate	5.00	5.00
Call money	3.65	3.68
1-month interbank	3.68	3.75
3-month interbank	3.55	3.65
6-month interbank	3.47	3.53
10-year Bund	5.84	5.83
Britain		
Bank base rate	6½	6½
Call money	6 9/16	6 11/16
1-month interbank	6½	6½
3-month interbank	6 7/16	6 7/16
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.32	7.30
France		
Intervention rate	4.45	4.45
Call money	4½	4⅝
1-month interbank	4 9/16	4 9/16
3-month interbank	4 7/16	4½
6-month interbank	4 7/16	4½
10-year OAT	6.33	6.32

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	399.25	397.75	+0.50
London	398.90	397.70	+0.10
New York	398.80	400.00	+1.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

Hearst Picks an Heir To That Cosmo Girl

By Deirdre Carmody
New York Times Service

NEW YORK — Helen Gurley Brown, who took over a failing magazine called Cosmopolitan in 1965 and turned it into an industry legend, will step down as its editor in chief in 18 months.

Her successor will be Bonnie Fuller, founding editor in chief of the U.S. edition of the French magazine Marie Claire, who was named deputy editor of Cosmopolitan on Tuesday. The two women will work together on the 2.6-million circulation magazine for the next year and a half.

The announcement by the Hearst Corp., parent to both Cosmopolitan and Marie Claire, ends years of speculation within the industry about who would follow in the footsteps of the diminutive but formidable Ms. Brown, 73.

When she succeeds Ms. Brown, Ms. Fuller, 39, will have a big act to follow. And an act is what it often seemed as the kittenish editor in chief with the vision of what her magazine should be went on sales calls and charmed advertisers and astounded many of her more staid readers with her celebration of sex as the determining force in a woman's life.

"She was ahead of her time and she changed magazine publishing," said Martin S. Walker, a consultant to publishers. "She created a genre of magazines and, as a result, all the women's magazines are much franker about sex, relationships and attitudes."

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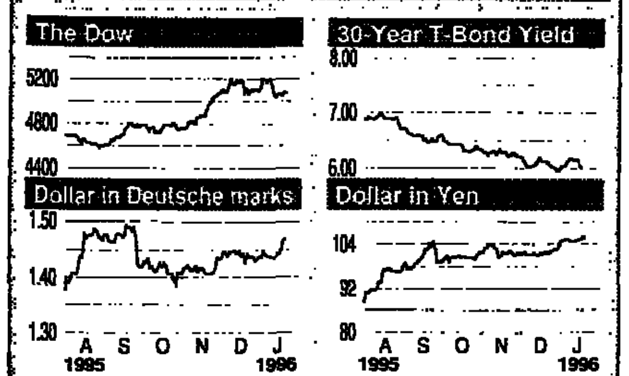


Exchange	Index	Wednesday Close	Prev. Close	% Change
NYSE	The Dow	5066.90	5088.22	-0.42
NYSE	S&P 500	606.37	608.44	-0.34
NYSE	S&P 100	578.90	581.98	-0.53
NYSE	Composite	325.29	325.83	-0.17
U.S.	Nasdaq Composite	998.30	998.37	+0.50
AMEX	Market Value	533.21	531.91	+0.24
Toronto	TSE Index	4773.00	4765.99	+0.15
São Paulo	Bovespa	48362.20	48467.80	-0.22
Mexico City	Bolsa	2918.96	2921.25	-0.08
Buenos Aires	Merval	535.86	532.68	+0.19
Santiago	IPSA General	5804.39	5780.34	+0.41
Caracas	Capital General	1965.27	1941.43	+1.23

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Charges Widen AMR's Loss

FORT WORTH, Texas (Bloomberg) — AMR Corp., the parent of American Airlines, reported a fourth-quarter loss of $281 million, compared with a loss of $123 million a year earlier, the company said Wednesday.

The results included charges of $334 million for early-retirement programs, a writedown on aircraft and provisions for losses from the crash last month of a Boeing 757 near Cali, Colombia, and other charges.

Revenue rose 5 percent, to $4.19 billion.

• **McDonnell Douglas Corp. and Boeing Co.** have broken off discussions about a possible merger or a combination of some of their businesses.

• **McDonald's Corp.** plans to accelerate global restaurant expansion in the next two years and purchase up to $2 billion of its common stock within the next 3 years.

• **Wal-Mart Stores Inc.** said it expected financial fourth-quarter earnings to fall about 11 percent, to roughly 41 cents per share, from a year ago. The retailer blamed the quarter's results on lower holiday sales, severe winter weather and high costs.

• **BankAmerica Corp.**'s fourth-quarter earnings rose 19 percent, to $704 million, helped by gains from trading and venture-capital investments.

• **SBC Communications Inc.** said its fourth-quarter net earnings rose 22 percent, to $517.8 million, paced by record growth in phone lines and an increase in cellular customers.

Bloomberg, Knight-Ridder, NYT

These Planes Are Loaded

By Jerry Knight
Washington Post Service

WASHINGTON — Sometime after sundown tonight, a fleet of Learjets and Mitsubishi turboprops will begin warming up at 18 airports around the United States. The planes will be loaded with bags bearing billions of dollars in checks before taking off on nightly sorties vital to the American economy.

This is the Federal Reserve Board's air force, a little-known armada of chartered planes whose mission is to see that about one-third of the 60 billion checks Americans write every year get to the bank as quickly as possible.

Along with managing the nation's money supply, regulating banks and its other better-known duties, the Federal Reserve spent $35 million last year flying checks around the country with a fleet of 47 planes provided by five contractors.

Even in this era of electronic funds transfer and Internet commerce, most financial transactions are handled by paper checks. And paper checks still have to be processed the old-fashioned way: Somebody has to take them to the bank they were written on to get the money.

It is an easy enough job when the check is written on one local bank and deposited in another bank across town. Those banks get lots of one another's checks every day and they can simply swap them directly or through a local clearinghouse.

But when the banks are thousands of miles apart and want to get their money as quickly as possible, the Fed's air force is needed.

Critic Attacks Check Flights

Washington Post Service

WASHINGTON — After flying unnoticed for 20 years, the Federal Reserve System's aerial armada that ferries checks between banks has been spotted by investigators working for Representative Henry Gonzalez, a Texas Democrat.

In a report last week, Mr. Gonzalez said the Fed awarded contracts without competitive bidding, paid almost $2 million for backup planes that sometimes were not in flying condition and lent fuel to a contractor for flights that had nothing to do with the Fed.

Fed officials say they have seen nothing to warrant a criminal investigation, as suggested by Mr. Gonzalez. But the central bank has begun its own inquiry into the issues he raised and will change some procedures as a result, officials said.

The check-flying system does not use tax funds, but any waste in the program ultimately costs taxpayers. The profits of the Federal Reserve system are turned over to the U.S. Treasury at the end of each year, so greater efficiency means more money to give to the government.

Like movie stars and millionaire moguls, checks fly on chartered jets because of one of the basic principles of business: Time is money.

As everyone with a checking account understands, there is a "float" between the time a check is written and the time when the money is deducted from the account.

Reducing that float saves the banks money. The faster a bank can get a check cleared, the sooner it can get the cash. While the money is "floating," the bank loses interest on it because it can't invest it.

The Federal Reserve processes about $10 billion worth of checks every day. Even at today's low interest rates, the interest on $10 billion amounts to more than $1.5 million a day. That's how much money can be earned every day if those checks are jetted directly to the banks overnight, instead of taking a two-day trip on trucks or regularly scheduled airline flights.

The plane rides account for less than 10 percent of the 2.7 cents it costs the Federal Reserve to process a check. The costs are passed on to banks and end up as part of the fees charged for checking accounts.

The Fed once dominated the check-clearing business, but its share of the market is steadily declining. Because of bank consolidation, more and more checks are being deposited in an account in the same bank they were written on. When a NationsBank customer in Florida deposits a check written on a NationsBank branch in Washington, the operation is handled internally.

And the big banks have found it's cheaper to process and fly their own checks, creating several rivals to the Fed's air force. The biggest of them is U.S. Check of Columbus, Ohio, which has a fleet of 27 Learjets and 50 propeller planes used just to fly checks for private banks.

Blue Chips Pressured By Budget Concerns

Compiled by Our Staff From Dispatches

NEW YORK — U.S. stocks retreated on Wednesday as investors focused on unexpectedly weak earnings from Intel, Wal-Mart Stores and Minnesota Mining & Manufacturing.

The Dow Jones industrial average seesawed before a late-day slide to 5,066.90, down 21.32 points. The average had been down as much as 35.77 points.

"Earnings are at the top of the list of people's concerns," said Doug Person, money manager at Bridge Investment Counsel in Omaha, Nebraska.

Investors' confidence got a further jolt when budget talks between President Bill Clinton and Republican lawmakers were canceled.

Roughly 12 stocks rose for every 11 that fell on the New York Stock Exchange, where volume rose to 458.72 million shares from 422.23 million on Tuesday.

But the Nasdaq composite index rose 2.43 points, to 998.30, overcoming a slide of 5¾-point in Intel shares after it said earnings fell shy of forecasts because of slower demand from customers that make personal computers. Intel also said sales would not expand in the first quarter.

More than 68 million Intel shares changed hands, surpassing Intel's own record of 55.9 million shares set on July 19, when it last reported worse-than-expected profits.

Intel said late Tuesday that fourth-quarter net income rose to 98 cents a share from 43 cents a year ago, about 13 cents less than analysts had forecast. In reaction, Merrill Lynch, Salomon Brothers and SoundView Financial Group all slashed their estimates of this year's profit growth at the world's largest semiconductor maker.

Meanwhile, Morgan Stanley said that Barton Biggs, chairman of Morgan Stanley Asset Management and a major bear on technology stocks for years, has shifted his opinion and now believes the first stage of a bear market in technology stocks is over and the sector would align itself with the broader market. He made the comments in a conference call with clients and was not available for comment.

Wal-Mart Stores shares sank 2⅛ to 20⅜ after it said it expected earnings in the financial fourth quarter ending Jan. 31 to fall as much as 11 percent beneath last year's profits, breaking a streak of 99 consecutive quarterly improvements.

Minnesota Mining & Manufacturing tumbled 3½ to 63¾ after the diversified manufacturer said fourth-quarter earnings, excluding one-time restructuring expenses, would fall below year-ago results.

Sun Microsystems rose 3 to 44⅛ after reporting better-than-expected earnings, while Spyglass tumbled 5 to 35 after its quarterly net income figure disappointed analysts even though it had doubled.

McDonald's surged 1¾ to 46⅛ after it said it would buy back as much as $2 billion worth of stock within three years.

Boise Cascade slipped ¼ to 33⅛ after it said it expected earnings in 1996 to be down from the 1995 record level as demand for pulp and paper slides.

Abbott Laboratories slumped 1¼ to 38¾ after the healthcare products maker was downgraded by Salomon Brothers.

Meanwhile, U.S. bonds rallied as investors wagered that signs of slowing economic growth would outweigh the federal government's inability to agree on a plan to balance its budget by early next century.

"Hard economic statistics are much more important than a plan that has a seven-year window for success," said Mark Anderson, an investment manager at Renaissance Investment Management in Cincinnati.

The benchmark 30-year Treasury bond rose 22/32 points to 111 28/32, while the yield fell to 6.01 percent from 6.06 percent.

Bonds fluctuated, ceding all of an early gain after Congress's Republican leaders called off talks, then rebounded after a statement by Republican leaders.

Investors are "beginning to make the transition to focusing on the economy from focusing on the budget crisis," said Patrick Dimick, a bond market strategist at CS First Boston. Recent studies suggest "that we're looking at 1.5 percent economic growth" this year.

(Bloomberg, Reuters, AP)

Dollar Rises on German Rate Hope

Bloomberg Business News

NEW YORK — The dollar rose against most other major currencies on Wednesday, helped mainly by expectations that the Bundesbank will lower the German discount rate soon to revive the country's sluggish economy.

The German 14-day securities repurchase rate, a key money-market rate, dropped 8 basis points, to 3.65 percent, on Wednesday, fueling speculation that official interest rates might follow soon. Central bank policymakers are to meet Thursday.

"The backdrop of today's repo rate cut in Germany and concerns

FOREIGN EXCHANGE

about growth in some countries, particularly Germany, were friendly to the dollar," said Mike Faust, a manager at Bailard, Biehl & Kaiser.

The dollar climbed to 1.4705 DM from 1.4658 DM on Tuesday.

The dollar was at 1.1887 Swiss francs, up from 1.1825 francs, and at 5.0235 French franc, up from 5.0095 francs. But it fell to 105.650 yen from 105.975 yen.

The pound fell to $1.5235 from $1.5350.

"European economic weakness is the focus," said Michael Perelstein, a director at Mackay-Shields Financial Corp. "Everyone knows the story of Japanese economic weakness; that's priced into the market. The news is Eurcpe, and people are adjusting."

WORLD STOCK MARKETS

Wednesday, Jan. 17
Prices in local currencies.
Telekurs

Amsterdam

	High	Low	Close	Prev.
ABN-AMRO	77.40	76.70	77	77
Aegon	73.60	72.80	73.50	72.70
Ahold	69.20	68.50	68.60	68.70
Akzo Nobel	185.80	183.20	183.20	184.80
Bols Wess cva	37.20	36.60	36.90	37
CSM cva	74.70	74.50	74.30	74.40
Dordtsche Pet	244.40	242.20	243.80	242.80
DSM	138.80	135.30	136.80	136.80
Elsevier	22.60	22.10	22.30	22.20
Fortis Amev	113.20	111.90	111.90	111.90
G-Broc cva	51.50	50.40	51.50	51
Hagemeyer	91.50	90.90	91.20	90.80
Heineken	306	303.30	305.80	303
Hoogovens	59.80	58.70	58.70	58.80
Hunt Douglas	84	82.20	82.20	83.60
ING cva	112.70	111.90	112.20	112.20
KLM	57.20	56.40	56.40	56.70
KNP BT	46.30	45.30	45.30	46.10
KPN	62.70	61.90	62.50	61.90
Nedlloyd Gp	34.80	34.20	34.50	34
Nutricia	137	135.60	136.50	136.50
Oce Grinten	114.50	113	113.30	112.90
Pakhoed	43.80	43.30	43.40	43.50
Philips Elec	63.80	62.10	62.90	63.50
Polygram	91.50	88	90.40	91
Randstad Hdg	76	74.70	74.70	75.30
Robeco	117.80	117	117.20	116
Rodamco	47.80	47.30	47.70	47.40
Rolinco	125.10	124.70	125	123.10
Rorento	96.50	96.40	96.40	96.10
Royal Dutch	223	219.90	221.90	221.20
Stork	43.80	43.40	43.40	43.40
Unilever cva	232.30	231	231.70	230.30
VNU	250	246.50	249.10	246.40
Wolters Kl cva	152.60	150.20	150.20	151.80

EOE index: 505.09
Previous: 504.56

Bangkok

	High	Low	Close	Prev.
Adv Info Svc	492	488	490	490
Bangkok Bk F	344	336	340	340
Krung Thai Bk	119	116	119	116
PTT Explor	292	290	292	290
Siam Cement F	1450	1444	1444	1456
Telecomasia	79	77.50	78.50	78.50
Thai Airways	42	41.25	41.25	41.25
Thai Farm Bk F	288	278	280	286
Thai Teleph	143	139	140	144
Utd Comm	340	332	336	340

SET index: 1371.06
Previous: 1371.64

Bombay

Tuesday, Jan. 16

	High	Low	Close	Prev.
Assoc Cement	2850	2805	2805	2845
Grasim Ind	524	510	510	528
Hindalco Ind	908	904	908	906
Indust Lever	628	624	626	628
Indian Hotels	622	610	620	624
ITC	229	227	228	227
Larsen Toubro	259	253.50	257.50	254
Reliance Ind	188	185	186.75	186.75
Tata Eng Loco	381	377	380	379
Tata Iron St	180.25	177.50	179.50	180

Sensitive index: 3015.48
Previous: 3022.51

Brussels

	High	Low	Close	Prev.
Arbed	3650	3580	3595	3575
Barco Ind	3770	3690	3710	3750
BBL	5660	5410	5640	5600
Bekaert	25625	25450	25550	25375
CBR	12050	11975	11975	11950
CMB	2280	2240	2245	2270
Cockerill	180	174	174	178
Colruyt	9000	8810	9000	8830
Delhaize Lion	1266	1248	1256	1258
Electrabel	7450	7380	7450	7430
Electrafina	3120	3075	3100	3100
Fortis AG	3800	3740	3745	3710
GIB	1348	1310	1316	1328
GBL	4165	4145	4160	4165
Gen Banque	11000	10850	10875	10850
Glaverbel	3400	3375	3380	3390
Kredietbank	8500	8420	8500	8440
Mosane	1955	1955	1955	1925
Petrofina	9120	9040	9080	9040
Powerfin	4230	4170	4190	4190
Recticel	390	364	378	390
Royale Belge	6090	6050	6080	6060
Soc Gen Belg	2555	2535	2545	2540
Solvay	16900	16725	16850	16800
Tessenderlo	11250	11150	11175	11175
Tractebel	12700	12550	12650	12600
UCB	41175	41025	41150	41125
Union Miniere	2140	2095	2130	2085

Stock Exchange index: 8783.16
Previous: 8736.86

Copenhagen

	High	Low	Close	Prev.
Carlsberg B	323.30	318	319	320
Danisco	298	275.50	289	292
Den Danske Bk	420	409	411	413
D/S Svendbrg A	171000	168000	168500	166000
D/S 1912 A	119000	115000	117000	116000
East Asiatic Co	123	119	123	118
FLS Ind B	491	485	485	495
ISS Intl Svc B	148	142	144	146
Nvo Nordisk B	784	775	783	774
Radiometer B	425	416	416	423
Sophus Ber B	660	652	655.67	653
Tele Danmk B	307	298	299	301
Unidanmark A	309	301.40	302	303

Stock Market index: 388.83
Previous: 385.89

Frankfurt

	High	Low	Close	Prev.
AMB	945	945	945	945
AEG	154	153	154	154
Allianz Hdg	2897	2880	2885	2878
Altana	864	858.50	860	861.50
Asko Deutsche	765	762	764	765.50
Bodenwerk	487	487	487	494
BASF	352.90	349	350.30	353
Bayer Hypo Bk	36.35	36.20	36.27	36.24
Bay.Vereinsbank	42.70	42.60	42.70	42.70
Bayer	420.80	418.50	418.80	422.50
Berliner Kraft	430	429	430	430
BHF Bank	41.30	41.10	41.18	41.40
BMW	814	807	807	811
CKAG Colonia	1185	1175	1178	1190
Commerzbank	345.70	344.20	345	346.50
Daimler Benz	766.50	759.50	761.80	764.50
Degussa	530	523	523.50	530.50
Deutsche Bank	67.73	67.50	67.60	68.02
Dresdner Bank	37.60	37.20	37.53	37.35
Heidelbg Zmt	934	930	930	938
Henkel	570	566	570	567
Hochtief	655	644	645	661
Hoechst	430.15	425.60	428.80	431
Holzmann Ph.	584	566	570	582
Karstadt	604	591	592	608
Kaufhof Hdg	461	454.50	456	464
Linde	899	895	897.50	900
Lufthansa ord	214.50	211.50	213.50	218.30
MAN	437	433.50	434	433.10
Mannesmann	493	491.20	492.60	493.20
Muench Rueck	3199	3190	3190	3194
Preussag	430	428	430	427.60
PWA	217	216	216	218
RWE	554.50	551	554	551
SAP pfd	218	213.50	214.80	221.70
Schering	102.40	101.80	102.05	102.05
Schmalb Lub	227	215	218	227.50
Siemens	817.30	813.20	814.50	815.50
Suedzucker	770	765	767	763
Thyssen	280.70	279.50	280.10	278.80
Veba	64.60	64.30	64.50	64.33
VEW	517	515	517	516
Viag	623.50	619.30	622	619
Volkswagen	529.50	526	529.30	522
Wella	782	777	778.20	771

DAX index: 2371.38
Previous: 2376.87

Helsinki

	High	Low	Close	Prev.
Cultor I	190	185	189	183.50
Enso-Gutzeit R	27.20	26.20	26.40	27
Huhtamaki IF	121	119	121	117.50
Kesko	57.50	57.40	57.50	57.50
Kone BF	360	360	360	360
Kymmene F	108	107.50	107.50	108
Merita A	12	11.70	11.80	12
Metra BF	174.50	173	174.50	172
Metsa-Serla B	123.50	123	123.10	123.50
Nokia Prf F	159	154	156.50	154.50
Outokumpu A	72	70	70	70
Rautaruukki	27.50	27	27.40	28
Repola	79	76.80	77	79
Stockmann A	245	243	245	241
Valmet A	112.50	110	112	109

HEX General index: 1680.37
Previous: 1673.91

Hong Kong

	High	Low	Close	Prev.
Amoy Props	8.65	8.50	8.55	8.55
Bk East Asia	30	29.60	29.70	29.80
Cathay Pacific	12.55	12.40	12.50	12.45
Cheung Kong	52.50	50.25	50.75	51.50
China Light	38.20	37.70	37.80	38
Chin Estates	6.35	6.05	6.25	6.15
Citic Pacific	28.75	28.10	28.15	28.30
Cons Elec Pwr	14	13.65	13.65	13.90
Dao Heng Bk	31.50	30.30	30.90	30.10
First Pacific	9.85	9.55	9.60	9.85
Great Eagle	22.45	21.95	22.30	21.95
Guangdong Inv	5.55	5.40	5.45	5.55
Guoco Group	39.60	39.40	39.60	39.30
Hang Lung	14.55	13.90	13.95	14.45
Hang Seng Bk	71.50	70	70.25	71
Henderson Inv	7.25	7.10	7.10	7.15
Henderson Ld	52.50	50.50	51.25	52
HKR Intl	8.25	8	8.10	8.05
HK Aircraft	23	21.90	22.95	21.95
HK China Gas	13.95	13.60	13.70	13.70
HK Electric	26.60	26.15	26.25	26.45
HK Shang Htls	12.15	11.95	11.95	12.15
HK Telecomm	15.25	15.05	15.15	15
Hopewell Hdgs	5	4.83	4.85	4.98
HSBC Hdgs	117.50	117.50	118	117
Hutchison Wh	49.10	47.90	48	49
Hysan Dev	21.70	21.35	21.35	21.65
Johnson El 500	15	14.60	14.60	14.95
Miramar Hotel	16	15.50	15.50	16
Natl Mutual	7.20	7	7	7.25
New World	35	34.40	34.40	34.60
Oriental Press	2.75	2.68	2.68	2.70
Orient Telecom	2.68	2.65	2.65	2.68
Shangri-La	10.50	10.25	10.45	10.15
SHK Props	65.75	64	64.25	65
Shun Tak Hdgs	5.95	5.80	5.80	5.95
Sino Land Co.	7.50	7.20	7.20	7.45
Sth China Post	4.88	4.83	4.88	4.83
Swire Pac A	65	62.25	62.75	64.25
Tsim Sha Tsui	7.60	7.30	7.45	7.45
TV Broadcasts	30.30	29.90	30.10	30.20
Wharf Hdgs	29.70	29	29	29.50
Wheelock	16.15	15.55	15.55	16.15

Hang Seng index: 10593.80
Previous: 10671.20

Jakarta

	High	Low	Close	Prev.
Astra Intl	3475	3450	3450	3475
Barito Pacific	1975	1875	1875	2000
Gudang Garm	27000	26875	26900	26900
Indah Kiat	1675	1650	1675	1675
Indocement	8950	8900	8925	9050
Indofood	12300	12050	12050	12300
Indorayon	2125	2050	2050	2100
Indosat	9075	8925	8925	8925
Kalbe Farma	8800	8500	8650	8800
Sampoerna	28100	27700	27800	27850

Composite index: 557.01
Previous: 558.43

Johannesburg

	High	Low	Close	Prev.
AngloAm-Corp	262	259.50	262	255
AngloAm Gold	353	347	348	346
AngloAm Ind	192	191	192	190
Barlow	58	57.25	58	57.25
C.G. Smith	29.50	29.25	29.25	29
De Beers	123.50	122.75	123	121.75
Driefontein	53.75	51.75	51.85	52
Freegold	38	35.25	35.50	37.10
Fst Natl Bk	35.50	35.25	35.50	35
Gencor	15.25	15	15.25	14.60
GFSA	123	122	122	122
Iscor	3.99	3.90	3.90	3.99
Johnnies Ind	58	58	58	58
Kloof Gold	44.50	43.50	43.50	43.25
Liberty Life	125	125	125	122
Nedcor	65.50	65	65.50	66
Rembrandt Gp	39	38.50	38.75	38.50
Richemont	58.75	58.50	58.50	58.50
Rust Platinum	71	70.40	71	70.40
SA Breweries	144	141	143	141.50
Sappi	57	56	56.50	56
Sasol	34	33	33.25	33.75
SBIC	170	170	170	170
Tiger Oats	67.50	67.50	67.50	65.50

All Market index: 6836.66
Previous: 6794.39

Kuala Lumpur

	High	Low	Close	Prev.
Mal Banking	23	22.50	22.70	22.30
Mal Intl Ship F	7.85	7.40	7.75	7.45
Public Bank F	6.05	5.90	5.90	5.90
Resorts World	14.60	13.90	14	14.40
Sime Darby	6.90	6.80	6.80	6.80
Telekom Mal	21.10	20.90	21	21
Tenaga	10.20	9.95	10.10	9.95
Utd Engineers	17.60	17.40	17.40	17.40

Composite index: 1072.35
Previous: 1069.66

London

	High	Low	Close	Prev.
Abbey Nat'l	6.50	6.12	6.50	6.43
Allied Domecq	5.50	5.36	5.42	5.50
Anglian Water	5.75	4.74	5.71	5.72
Argyll Group	3.62	3.46	3.47	3.57
Arjo Wiggins	1.85	1.80	1.81	1.82
Asda Group	1.16	1.11	1.12	1.15
Assoc Br Foods	3.73	3.66	3.66	3.72
BAA	4.97	4.84	4.87	4.93
Barclays	7.66	7.57	7.60	7.57
Bass	7.35	7.26	7.28	7.27
BAT Ind	5.77	5.65	5.69	5.69
Bank Scotland	2.94	2.88	2.89	2.92
BICC	2.97	2.88	2.90	2.95
Blue Circle	3.38	3.26	3.32	3.35
BOC Group	9.03	8.95	8.96	9.02
Boots	6.61	5.93	5.96	6.01
Bowater	3.77	3.70	3.71	3.71
BPB Ind	3.02	2.95	2.95	2.96
Brit Aerosp	8.41	8.25	8.34	8.35
Brit Airways	5.14	5.05	5.11	5.05
Brit Gas	2.68	2.51	2.55	2.68
Brit Petm	5.23	5.14	5.21	5.23
Brit Steel	1.67	1.62	1.63	1.63
Brit Telecom	3.81	3.73	3.76	3.78
BTR	3.37	3.32	3.34	3.35
Burmah Cast	9.76	9.68	9.70	9.78
Cable Wireless	4.59	4.51	4.53	4.58
Cadbury Schw	5.48	5.36	5.43	5.47
Caradon	2.20	2.13	2.13	2.16
Carlton Comm	10.38	10.25	10.27	10.31
Coats Viyella	1.91	1.84	1.90	1.83
Comml Union	6.20	6.10	6.13	6.17
Courtaulds	4.40	4.31	4.36	4.33
De La Rue	7.10	6.98	7.04	7.02
Eng China Cl	3.28	3.18	3.25	3.26
Enterprise Oil	3.81	3.75	3.81	3.78
Fam Colonial	1.63	1.61	1.63	1.62
Forte	3.87	3.28	3.77	3.81
Genl Accident	6.49	6.40	6.45	6.47
GEC	3.75	3.65	3.67	3.74
GKN	7.89	7.80	7.84	7.87
Glaxo	9.64	8.97	9	9.02
Granada Gp	7	6.81	6.91	6.90
Grand Met	4.55	4.41	4.44	4.47
GRE	2.71	2.64	2.70	2.70
Guinness	4.90	4.82	4.89	4.83
GUS	7.02	6.86	6.93	6.89
Hanson	2.06	2.04	2.05	2.04
Hillsdown Hdg	1.78	1.75	1.77	1.75
HSBC Hldgs	9.99	9.90	9.92	9.96
ICI	8.22	8.13	8.15	8.11
Inchcape	2.64	2.57	2.59	2.58
Kingfisher	5.48	5.36	5.37	5.29
Ladbroke	1.65	1.58	1.62	1.65
Land Sec	6.34	6.23	6.29	6.30
Laporte	6.66	6.60	6.66	6.61
Lasmo	1.71	1.67	1.68	1.72
Legal Genl Grp	6.87	6.79	6.80	6.85
Lloyds Abbey	4.69	4.63	4.66	4.63
Lloyds TSB Gp	3.33	3.22	3.25	3.27
London Elec	6.02	5.90	5.90	5.98
Lucas Ind	1.87	1.83	1.84	1.84
Marks Spencer	4.41	4.33	4.39	4.36
MEPC	4.01	3.97	3.98	4
Mercury Asset	8.75	8.58	8.58	8.73
Midlands Elec	0.00	0.00	0.00	0.00
Natl Power	4.40	4.34	4.38	4.31
NatWest	6.60	6.48	6.55	6.50
News Intl	3.03	3	3	3
Nthwst Water	5.75	5.68	5.69	5.72
Nthern Foods	1.94	1.90	1.91	1.92
P&O	4.88	4.79	4.80	4.83
Pearson	6.35	6.23	6.27	6.30
Pilkington	1.93	1.88	1.90	1.90
Powergen	5.13	5.07	5.11	5.07
Prudential	4.31	4.25	4.28	4.27
Rank Org	4.58	4.45	4.47	4.55
Reckitt Colm	7.07	7	7.01	7.05
Redland	3.59	3.48	3.50	3.55
Reed Intl	10.24	9.96	9.99	9.99
Rentokil	3.43	3.39	3.40	3.41
Reuters Hdgs	6.24	6.13	6.18	6.18
RMC Group	9.43	9.35	9.37	9.40
Rolls Royce	2.01	1.94	1.97	1.99
Royal Bk Scot	5.63	5.52	5.59	5.54
RTZ reg	8.95	8.78	8.80	8.93
Royal Insur	3.97	3.88	3.90	3.93
Sainsbury	4.24	4.13	4.16	4.24
Schroders	13.50	13.30	13.49	13.43
Scot Newcastle	6.12	6.07	6.10	6.08
Scot Power	3.89	3.78	3.89	3.78
Sears	0.98	0.95	0.97	0.97
Severn Trent	6.37	6.28	6.28	6.31
Shell Trsp reg	8.35	7.61	8.35	8.28
Siebe	7.66	7.47	7.52	7.60
Smith Nephew	1.84	1.82	1.84	1.82
Smith (WH)	4.12	4.07	4.10	4.11
SmithKline cIA	6.98	6.86	6.91	6.90
Smiths Ind	6.46	6.32	6.44	6.42
Sthern Elec	9.14	6.80	8.97	9.01
Stand Charter	5.77	5.67	5.76	5.68
Sun Alliance	3.82	3.69	3.75	3.77
Tate & Lyle	4.62	4.53	4.62	4.54
Tesco	3.19	3.06	3.08	3.16
Thames Water	5.42	5.35	5.37	5.38
Thorn EMI	16.40	16.26	16.35	16.26
3i Group	4.08	4.06	4.88	4.07
TI Group	4.85	4.73	4.83	4.81
Tomkins	2.74	2.67	2.70	2.67
Unilever	13.37	13.24	13.36	13.29
Utd Biscuits	2.62	2.53	2.57	2.60
Utd News	5.76	5.72	5.75	5.70
Vendome uts	5.59	5.53	5.53	5.60
Vodafone	2.18	2.09	2.18	2.13
Whitbread	6.88	6.81	6.87	6.81
Williams Hdgs	3.34	3.28	3.34	3.31
Wolseley	4.53	4.45	4.50	4.49
Yorkshire Elec	6.77	5.33	6.66	6.73
Zeneca	13.02	12.73	12.77	12.91

FT-SE 100 index: 3704.20
Previous: 3710.60

Madrid

	High	Low	Close	Prev.
Acerinox	13390	12900	12950	13250
ACESA	1350	1325	1335	1340
Argentaria	5310	5250	5280	5320
BBV	4440	4385	4440	4390
Banesto	827	823	827	828
Bankinter	12330	12170	12300	12100
Bco Centro Hisp	2485	2455	2485	2450
Bco Exterior	3260	3100	3260	3260
Bco Popular	22820	22610	22790	22800
Bco Santander	6010	5970	6010	6020
CEPSA	3150	3120	3130	3115
Corp Mapfre	6750	6380	6440	6770
Dragados	1730	1675	1675	1710
Endesa	7140	7070	7140	7080
FECSA	872	868	870	878
Fomento Const	10250	9820	9890	10180
Gas Natural	18400	18180	18300	18400
Hidroel Cantab	4150	4120	4150	4150
Iberdrola	1175	1160	1165	1150
Pryca	2605	2530	2550	2595
Repsol	4090	4055	4075	4035
Sevillana Elec	928	922	923	921
Tabacalera	4900	4780	4895	4900
Telefonica	1830	1795	1830	1795
Union Fenosa	709	695	70v	693
Valenc Cement	1435	1400	1430	1450

Stock Exchange index: 328.33
Previous: 327.46

Manila

	High	Low	Close	Prev.
Ayala A	22	21.75	21.75	22
Ayala Land	32.50	31.50	32	32
Manila Elec A	168	163	163	165
Metro Bank	540	525	535	535
Petron	14.50	13.75	13.75	14
Phil Long Dist	1570	1540	1545	1560
San Miguel A	56.50	56	56	56
San Miguel B	94	93.50	93.50	92.50
SM Prime Hdg	8.40	8.20	8.20	8.20

PSE index: 2748.77
Previous: 2776.75

Mexico

	High	Low	Close	Prev.
Alfa A	103.10	101.80	102.00	103.00
Cemex B	30.40	29.90	29.90	30.10
Cifra C	9.04	8.90	8.96	8.90
Empresas ICA	93.00	91.00	91.50	92.00
Emp Moderna	31.00	30.55	31.00	30.90
Femsa	19.76	19.50	19.56	19.40
Gpo Carso A1	51.70	50.60	51.70	50.70
Televisa CPO	94.70	94.00	94.20	95.50
TelMex L	12.32	11.90	11.94	12.24
Tribasa CPO	32.00	31.65	31.65	32.00

Bolsa index: 2918.96
Previous: 2921.25

Milan

	High	Low	Close	Prev.
Alleanza Assic	14405	14150	14320	14200
Bca Comm Ital	3350	3260	3280	3300
Bca Naz Agricol	1046	1022	1046	1040
Bca Naz Lavoro	11600	11455	11500	11500
Bco di Roma	1628	1533	1533	1583
Bco Ambrosian	4370	4175	4175	4370
Benetton	18480	18310	18400	18305
Credito Italiano	1880	1840	1848	1845
Enichem Aug.	3350	3340	3350	3325
Fiat	5030	4950	4965	4980
Fondiaria	7435	7260	7290	7400
Generali Assic	39300	38700	39150	38800
IFIL	4655	4550	4555	4625
Italcementi	10220	9845	10135	9800
Italgas	4945	4820	4930	4830
Mediobanca	10550	10300	10330	10350
Montedison	998	960	977	990
Olivetti	1085	1020	1031	1067
Pirelli	2040	1995	2000	2010
RAS	18650	18300	18300	18400
Rinascente	9830	9600	9820	9625
S Paolo Torino	9535	9120	9470	9300
SME	3520	3395	3510	3395
Standa	22500	22500	22500	22500
Stet	4505	4455	4475	4435
Telecom Italia	2615	2555	2580	2560
Toro Assic	20250	19580	19500	19800

MIB Telematico index: 9344.00
Previous: 9324.00

Montreal

	High	Low	Close	Prev.
Alco I	19¼	19¼	19¼	19¼
Bank Montreal	32⅜	32¼	32½	32⅜
Bce Mob Com	47¼	47¼	47¼	47½
Cdn Tire A	14⅝	14½	14⅝	14⅝
Cdn Util A	26¾	26⅝	26⅝	26⅝
Cascades	7	6¾	6¾	6⅞
CT Finl Svc	24⅛	24⅛	24⅛	24⅛
Extendicare	29¾	29¾	29¾	29½
Gaz Metro	15⅛	15	15⅛	15⅛
Gt-West Lifeco	29½	29⅜	29⅜	29⅜
Hees Intl Bcp	14	13⅞	14	14
Hudson's Bay	19⅜	19¼	19⅜	19⅜
Imasco	26	25⅝	25⅞	25⅝
Investors Grp	17⅜	17¼	17¼	17⅜
Loblaw Cos	33¾	32¾	33¼	33⅛
Molson A	22	21⅞	21⅞	21⅞
Natl Bk Canada	11⅛	11⅛	11⅛	11⅛
Oshawa A	22⅞	22⅜	22⅜	22⅞
Pancdn Petlm	51	51	51	51
Power Corp	19⅝	19⅜	19⅝	19⅝
Power Finl	33⅛	33	33⅛	33
Quebecor B	21⅛	21	21	21⅛
Rogers Comm B	16	15⅞	16	15⅞
Royal Bk Cda	32¼	32⅛	32¼	32
Sears Canada	5⅞	5⅞	5⅞	6
Shell Cda A	42⅝	42¼	42¼	42½
Southam	13¾	13⅜	13½	13¼
Stelco A	6⅛	6	6	6
Trilon Finl A	4.45	4.45	4.45	4½

Industrials index: 2291.76
Previous: 2296.28

Oslo

	High	Low	Close	Prev.
Aker A	89.50	87	87	89
Bergesen Dy B	131	129.50	129.50	130
Christiania Bk	16	15.50	15.60	15.50
Den Norske Bk	17.80	17.50	17.80	17.40
Dt Norsk Luft	306	305	306	304
Dyno Indust	139	137.50	138	138
Elkem	71.50	68	68	70
Hafslund A	177.50	172	176	174
Kvaerner	225.50	220.50	221	224
Leif Hoegh	94.50	94.50	94.50	94.50
Norsk Hydro	277	271	271.50	275
Norske Skog A	179	176	176.50	179
Orkla	309.50	304	306	305
Rieber B	131	128	128	131
Saga Petlm B	77.50	75.50	77.50	76
Schibsted	86	85	86	86
UniStorebr A	33.80	32.60	32.70	33.20

OBX index: 413.23
Previous: 414.06

Paris

	High	Low	Close	Prev.
Accor	662	650	659	645
AGF	155.90	151.30	155.50	151.80
Air Liquide	891	874	891	890
Alcatel Alsth	443.80	430.70	443.80	429.10
Axa	321.50	316.70	318.50	327.10
Bancaire	529	508	524	508
BNP	215.50	209.40	215.50	212.70
Bouygues	496.90	483.10	495	495.20
Canal Plus	978	963	973	968
Carrefour	3314	3227	3304	3235
CCF	248	243.40	246.70	244.80
CerusdMB	224.20	224	224	224.20
Credit Local cl	409	401	401	405.50
Credit Lyon PC	248.40	237.10	240	242
Danone	819	808	816	813
Elf-Aquitaine	382	374.50	381.10	378.50
Eridania BS	899	886	898	888
Euro Disney	12.55	12	12	12.45
Eurotunnel uts	6.40	6.25	6.35	6.25
Gen. Eaux	557	544	551	548
Havas	411	405.70	411	408.50
Lafarge Cop	318.50	309	317.60	315.50
Legrand	849	818	842	815
L'oreal	1400	1360	1396	1366
LVMH	1095	1059	1089	1060
Lyon. Eaux	487	472.50	474	480.20
Michelin B	200.30	197.60	199.50	197.40
Navig Mixte	684	675	680	678
Paribas A	273.50	268.90	272	271.10
Pechiney Intl	87.90	84.70	86.50	87.90
Pernod Ricard	295	291	293.80	294
Peugeot Cit	696	675	691	684
Pinault-Print	1099	1077	1099	1082
Promodes	1307	1275	1302	1283
Renault	157.90	154.90	155.60	156.80
Rh-Poulenc A	108.90	107.10	107.30	108.40
Roussel-Uclaf	913	901	901	907
Sanofi	331.70	325.60	329.10	325
Schneider	189	182.50	189	184
Ste Generale	614	608	610	609
St Gobain	591	584	589	585
St Louis	1442	1422	1423	1430
Suez	198.50	193.10	194.80	197.50
Thomson CSF	116	112.80	114.90	114
Total B	359.40	354.50	355.50	358
UAP	119.40	115.20	116	119.40
Valeo	248	241.70	246.30	244

CAC-40 index: 1966.88
Previous: 1952.10

São Paulo

	High	Low	Close	Prev.
Bco Brasil Pfd	12.30	12.10	12.21	12.20
Banespa Pfd	5.45	5.31	5.36	5.45
Bradesco Pfd	9.75	9.45	9.75	9.65
Brahma Pfd	480	469	469	480
Cemig Pfd	24.05	23.30	24.05	23.70
CESP Pfd	27.30	26	27.30	27.30
Eletrobras B	297	292	295	296
Itaubanco Pfd	315	310	315	312
Light	313	306	312.50	309
Paranapan Pfd	13	12.70	13	12.80
Petrobras Pfd	102	98.50	100	100.51
Sid Nacional	23	22.50	23	23
Souza Cruz	5.90	5.80	5.90	5.81
Telebras Pfd	53	51.70	52.20	52.70
Telesp Pfd	165	162.01	164	165
Usiminas Pfd	0.97	0.94	0.97	0.95
CVRD Pfd	168	164	164.50	166.50

Bovespa index: 48362.20
Previous: 48467.80

Seoul

	High	Low	Close	Prev.
Daewoo Heavy	8200	8000	8100	8200
Hyundai Eng	36500	35700	36100	36300
Hyundai Motor	33700	32600	32700	33000
Korea El Pwr	29100	28500	28900	29000
Korea Mob Tel	602000	581000	585000	603000
LG Electronics	25700	24800	25000	25500
Pohang Iron St	52900	52000	52500	52800
Samsung Elec	135000	131000	131000	124500
Samsung Hvy	19400	18700	18800	19400
Yukong	24500	23200	23800	24500

Composite index: 857.46
Previous: 868.27

Singapore

	High	Low	Close	Prev.
Cerebos Pac	11.20	10.90	10.90	11
City Devlts	11.20	11	11	11.10
Cycle Carriage	16.10	15.60	15.90	15.70
Dairy Farm Int *	1.02	1	1.02	1.02
DBS	10.60	10.50	10.60	10.60
DBS Land	5.25	5.15	5.20	5.15
Fraser & Neave	19.30	19.10	19.10	19.30
HK Land *	2.02	1.99	2	2.02
Hong Leong Fin	4	4	4	4.04
Jard Matheson *	7.90	7.60	7.75	7.65
Jard Strategic *	3.32	3.24	3.26	3.24
Keppel	12.90	12.70	12.90	12.70
Natsteel	3.02	2.97	2.97	2.97
Neptune Orient	1.66	1.62	1.64	1.63
OCBC foreign	18.90	18.80	18.80	18.40
OSea Union Bk	7.05	6.95	6.95	7
Sembawang	8.85	8.55	8.65	8.70
Sing Airlines F	14.30	14.10	14.10	14.20
Sing Petlm	1.77	1.76	1.77	1.77
Sing Press F	25.70	25.40	25.70	25.40
ST Auto F	2.99	2.96	2.97	2.99
ST Ship	2.79	2.76	2.76	2.76
Sing Telecomm	3.32	3.28	3.30	3.32
Straits Steam	4.82	4.60	4.64	4.72
Utd Industrial	1.49	1.45	1.47	1.50
Utd OSea Bk F	15.20	14.60	14.80	15
Wing Tai Hdgs	3.20	3.10	3.12	3.14

*: in U.S. dollars.
Straits Times index: 2390.86
Previous: 2397.83

Stockholm

	High	Low	Close	Prev.
AGA BF	92	91	91.50	92
Asea AF	680	667	668	672
AssiDoman F	138	135.50	135.50	136
Astra AF	258	253.50	256	253
Atlas Copco AF	99.50	97	97.50	100
Avesta F	58.50	56.50	57	57.50
Electrolux BF	295	291	291	289.50
Ericsson BF	126	122	124	124
Gambro BF	153	152.50	152.50	152.50
Hennes BF	401	392	392	398
Incentive AF	306	305	305.50	306
Investor BF	218	212	213	211
Kinnevik BF	195	190	191	196
MoDo BF	307	292	298	301
Sandvik BF	116.50	113.50	114	116
SCA BF	97.50	94	95	99
S-E Banken AF	56.50	54	54	55.50
Skandia Fors F	185.50	183.50	183.50	184.50
Skanska BF	226	222	223	226
SKF BF	130	124.50	125.50	129.50
SSAB BF	70.50	68	68.50	70
Stora AF	77	70	72.50	76.50
Sv Handles AF	134.50	132.50	133	134
Sydkraft AF	137	137	137	136
Trelleborg BF	74.50	71	71.50	74
Volvo BF	137	133.50	133.50	134.50

SX 16 index: 1799.61
Previous: 1808.43

Sydney

	High	Low	Close	Prev.
Amcor	9.70	9.62	9.62	9.61
ANZ Bkng	6.61	6.54	6.57	6.52
BHP	19.06	18.75	18.75	18.86
Boral	3.48	3.40	3.40	3.46
Brambles Ind.	15.95	15.70	15.84	15.68
Burns Philp	3.12	2.97	2.99	3.10
CBA	11.55	11.30	11.42	11.31
CC Amatil	12	11.92	12	11.90
Coles Myer	4.34	4.28	4.28	4.31
Comalco	6.76	6.71	6.71	6.76
CRA Ltd	19.80	19.58	19.70	19.56
CSR	4.60	4.54	4.55	4.54
Fosters Brew	2.30	2.29	2.30	2.30
GIO Australia	3.28	3.24	3.25	3.24
Goodman Fld	1.34	1.31	1.31	1.33
ICI Australia	10.50	10.40	10.45	10.40
John Fairfax	2.92	2.88	2.89	2.88
Lend Lease	20.48	20.20	20.20	20.48
Mayne Nickless	5.98	5.78	5.78	5.94
MIM Hdgs	1.78	1.75	1.76	1.75
Nat Aust Bank	12.68	12.52	12.63	12.51
News Corp	7.37	7.30	7.31	7.26
North Ltd	3.71	3.66	3.68	3.69
Pacific Dunlop	3.22	3.16	3.20	3.15
Pioneer Intl	3.58	3.54	3.54	3.56
Placer Pacific	3.10	3.03	3.08	3.03
Santos	3.98	3.96	3.97	3.97
Southcorp	3.29	3.25	3.28	3.22
Westfarmers	8.52	8.42	8.47	8.40
Wstrn Mining	8.31	8.02	8.03	8.19
Westfield Trt	2.51	2.46	2.48	2.48
Westpac Bkng	6.22	6.14	6.18	6.10
Woodside Pet	7.15	7.05	7.05	7.12
Woolworths	3.43	3.39	3.40	3.41

All Ordinaries index: 2250.30
Previous: 2245.10

Taipei

	High	Low	Close	Prev.
Asia Cement	43	42.70	42.80	42.70
Cathay Life Ins	124	122	123	122
Chang Hwa Bk	101	100	101	100.50
China Steel	21.10	20.80	20.80	20.80
Chiao Trust	42.70	42.20	42.40	42.30
Evergreen	44.10	43.40	43.60	43.60
Far East Text	25	24.50	24.70	24.80
First Bank	103.50	102.50	103	102.50
Formosa CF	23	22.60	22.60	22.50
Hua Nan Bk	86.50	85.50	86	85.50
Hualon Teijon	19.10	18.70	18.70	19
ICBC	75	73.50	75	73.50
President Ent	32.30	31.70	32.10	31.60
Taiwan Cmnt	35.60	35	35.50	34.90
Tatung	49.60	49.10	49.20	49.10

Stock Market index: 5017.48
Previous: 5015.36

Tokyo

	High	Low	Close	Prev.
Ajinomoto	1200	1170	1190	1190
All Nippon Air	1120	1070	1090	1100
Asahi Bank	1290	1250	1270	1280
Asahi Chem	790	721	778	785
Asahi Glass	1190	1170	1180	1180
Bank of Tokyo	1810	1780	1790	1810
Bk Yokohama	865	851	862	846
Bridgestone	1670	1640	1640	1660
Canon	2080	2040	2060	2050
Chiba Bank	925	900	911	918
Chubu Elec	2480	2460	2480	2470
Chugoku Elec	2420	2390	2400	2400
Daiei	1300	1260	1270	1300
Daiichi Kang	2020	1980	1980	2010
Daiwa Bank	808	791	799	802
Daiwa House	1720	1710	1710	1710
Daiwa Sec	1610	1580	1580	1560
Fanuc	4620	4520	4540	4530
Fuji Bank	2380	2320	2320	2380
Fuji Photo	3140	3120	3140	3110
Fujitsu	1180	1150	1160	1150
Hitachi	1050	1020	1020	1040
Honda Motor	2290	2260	2260	2190
IBJ	3010	2970	2980	3000
IHI	439	436	439	436
Itochu	735	721	728	728
Ito-Yokado	6620	6550	6560	6510
JAL	706	696	696	696
Jusco	2800	2750	2770	2720
Kajima	1120	1080	1090	1090
Kansai Elec	2510	2480	2480	2500
Kao	1370	1320	1360	1330
Kawa Steel	373	364	367	370
KDD	8810	8660	8660	8750
Kinki Nipp Ry	795	793	793	794
Kirin Brewery	1240	1230	1230	1230
Kobe Steel	332	327	330	330
Komatsu	869	861	869	861
Kubota	675	667	670	673
Kyocera	7580	7430	7440	7330
Kyushu Elec	2520	2490	2500	2500
LTCB	830	823	825	830
Marubeni	574	565	565	574
Marui	2210	2190	2190	2190
Matsu Elec Ind	1770	1740	1740	1750
Matsu Elec Wk	1170	1150	1160	1160
Mitsubishi	1300	1270	1280	1300
Mitsubishi Bk	2450	2420	2420	2440
Mitsubishi Ch	537	532	532	526
Mitsubishi El	785	771	775	775
Mitsubishi Est	1340	1310	1330	1330
Mitsubishi Hvy	847	840	843	840
Mitsubishi Mat	870	860	865	853
Mitsubishi Tr	1810	1770	1790	1800
Mitsui	948	938	938	937
Mitsui Fudosn	1370	1350	1350	1350
Mitsui Trust	1160	1140	1150	1130
Murata Mfg	3690	3600	3600	3640
NEC	1280	1260	1270	1260
New Oji Paper	966	957	964	957
Nikko Sec	1340	1320	1330	1300
Nintendo	8070	7990	8040	7990
Nipp Credit Bk	438	423	424	434
Nipp Express	999	992	999	983
Nippon Oil	624	607	607	624
Nippon Paper	728	711	724	728
Nippon Steel	363	359	360	360
Nippon Yusen	621	612	618	609
Nippondenso	2100	2080	2080	2060
Nissan Motor	858	842	856	832
NKK	296	292	295	293
Nomura Sec	2330	2300	2300	2270
NTT	8260a	8110a	8150a	8070a
Obayashi	869	857	864	855
Odakyu El Ry	715	703	704	712
Ono Pharm	3880	3840	3850	3850
Osaka Gas	382	370	371	370
Ricoh	1160	1130	1140	1150
Sakura Bk	1250	1230	1240	1230
Sankyo	2520	2480	2500	2510
Sanwa Bank	2180	2150	2150	2170
Sanyo Elec	649	634	634	635
Secom	6840	6730	6750	6810
Seibu Rwy	5140	5010	5010	5060
Sekisui House	1370	1360	1370	1360
Seven-Eleven	7180	7080	7110	7090
Sharp	1690	1660	1690	1640
Shimizu	1100	1080	1090	1100
Shin-etsu Ch	2160	2140	2150	2120
Shizuoka Bk	1310	1290	1290	1320
Sony	6690	6600	6630	6550
Sumitomo	1100	1070	1080	1070
Sumitomo Bk	2250	2210	2220	2230
Sumit Chem	527	518	525	514
Sumitomo Elec	1340	1310	1330	1300
Sumit Metal	331	324	324	330
Sumit Trust	1540	1470	1520	1450
Taisei	735	728	735	726
Taisho Pharm	2110	2080	2100	2110
Takeda Chem	1700	1670	1670	1690
TDK	5220	5190	5220	5140
Tohoku El Pwr	2470	2430	2460	2430
Tokai Bank	1410	1370	1370	1410
Tokio Marine	1360	1340	1340	1330
Tokyo El Pwr	2760	2730	2740	2720
Tokyo Gas	371	363	365	370
Tokyu	749	726	731	743
Tonen	1580	1550	1550	1560
Toppan Print	1400	1380	1400	1380
Toray Ind	699	695	697	693
Toshiba	839	827	831	825
Toyo Seikan	3230	3170	3190	3190
Toyo Trust	985	960	976	940
Toyota Motor	2300	2270	2280	2250
Yamaichi Sec	834	824	826	805
Yamanouchi	2310	2280	2280	2300
Yasuda Fire	765	757	763	755
Yasuda Trust	572	565	566	566

a: x 100
Nikkei 225 index: 20570.26
Previous: 20567.87

Toronto

	High	Low	Close	Prev.
Abitibi Price	19⅝	19⅝	19⅝	19½
Air Canada	4¾	4.70	4.70	4¾
Alberta Energy	22¼	22⅛	22¼	22⅛
Alcan Alum	40⅛	39½	40⅛	39¾
Avenor A	23	22⅞	22⅞	22½
Bk Nova Scotia	32	31⅝	31¾	31½
Barrick Gold	38⅜	38	38⅜	38⅜
BCE	48⅛	47⅞	47⅞	47⅞
BC Telecomm	25⅛	25⅛	25½	25½
Bombardier B	18⅞	18⅝	18¾	18⅞
Brascan A	22⅛	21⅞	22	22⅛
Cameco	56⅞	55	55⅞	55¾
CIBC	42⅞	42½	42¾	42½
Cdn Airlines	2.90	2.80	2.80	2.80
Cdn Nat Res	20⅛	19¾	20	20⅛
Cdn Occid Pet	43⅞	43½	43½	44
Cdn Pacific	25¾	25½	25¾	25¾
Cominco	27¼	26¾	27	27¼
Consumers Gas	18⅞	18¾	18¾	18½
Dofasco	18⅝	18⅜	18⅝	18⅜
Domtar Ind B	9⅞	9⅝	9⅝	10
Du Pont Cda A	24⅛	24	24	24
Echo Bay Mns	16¼	15⅞	16	16
Empire Co. A	13	12⅞	13	12¾
Falconbridge	28⅛	27⅝	28⅛	27⅞
Fletcher Chall A	19⅞	19⅜	19⅜	20
Franco Nevada	81½	80¾	80¾	81¾
Guardian Cap A	N.T.	N.T.	N.T.	10
Hemlo Gold	16⅛	15⅞	16	16
Horsham	19	18⅞	19	18⅞
Imperial Oil	48⅞	48¼	48¾	48⅞
Inco	43⅞	42⅞	43⅜	43
IPL Energy	32⅞	32⅝	32⅞	32⅝
Laidlaw A	13⅛	13⅛	13⅛	13⅛
Laidlaw B	13⅛	13⅛	13⅛	13⅛
Loewen Group	33¾	32¾	32⅞	32¾
Ldn Insur Gp	27½	27	27½	27¼
Macmill Bloe	17	16¾	17	17
Magna Intl A	57¾	57½	57½	57¾
Maple Leaf Fds	6	6	6	5¾
Moore	24⅛	24⅛	24⅛	24⅛
Newbridge Net	66⅛	64	64½	64⅛
Noranda Inc	25⅞	25⅛	25⅜	25⅜
Noranda Forest	8⅝	8½	8½	8⅝
Norcen Energy	19¼	19¼	19¼	19⅛
Nthern Telecom	60⅛	59½	59¾	59½
Nova	11⅝	11⅛	11⅛	11⅛
Onex	14⅛	14¼	14¼	14⅛
Placer Dome	36⅛	35⅞	36⅛	36⅛
Potash Sask	95	90	90¼	95¼
Provigo	8¼	8⅛	8¼	8⅛
Quebecor Print	23⅜	23¼	23⅜	23¼
Renaissance	32⅞	32⅛	32⅞	32½
Rio Algom	23⅞	23⅛	23⅞	23½
Seagram Co	49½	48⅞	49⅜	48⅞
Stone Consold	17⅜	17⅛	17⅛	17⅛
Talisman Eny	28⅞	28½	28⅞	28½
Teleglobe	19	18⅞	18⅞	18⅞
Telus	15⅞	15¼	15¼	15⅞
Thomson	18⅞	18⅝	18⅝	18⅞
TorDom Bank	25¼	24⅞	25	25
Transalta	15	14⅞	14⅞	14⅞
TransCda Pipe	18⅞	18⅝	18⅞	18⅞
Utd Dominion	28½	28⅛	28⅛	28½
Westburn	8⅞	8⅞	8⅞	8¾
Westcoast Eny	20⅞	20⅜	20⅜	20⅞
Weston	48⅛	47	47½	47¾

TSE Industrials index: 4773.00
Previous: 4765.99

Vienna

	High	Low	Close	Prev.
Aust Airlines	1905	1905	1600	1600
Brau-Un Goess	497	488	489	495
Bund Vers Pfd	445	445	490	490
Creditanst PC	1600	1590	1600	1585
EA-Generali	3340	3300	3330	3299
EVN	1284	1270	1275	1270
Interunfall	1600	1600	1600	1608
Lenzing	878	867	870	867
Leykam	364	355	358	361
Mayr-Melnhof	569	547	551	579
OEMV	959	935	937	952
Oest Brau-Bet	477	462	466	478
Oest Elektriz	649	641	642	646
VA Tech	1361	1344	1358	1352
Wienerberger	2245	2212	2230	2235

ATX index: 1038.40
Previous: 1033.89

Wellington

	High	Low	Close	Prev.
Air N Zeald B	3.60	3.58	3.60	3.60
Brierly Invt	1.23	1.22	1.23	1.23
Carter Holt ord	3.02	2.97	2.98	3.03
Fernz	4.06	4.04	4.04	4.18
Fisher Paykel	4.70	4.65	4.70	4.67
Fletcher Chall	3.35	3.27	3.27	3.35
Fletcher For	2.11	2.10	2.10	2.10
Goodman Fder	1.50	1.48	1.50	1.48
Indep News	5.00	4.95	4.98	4.95
Lion Nathan	3.52	3.50	3.50	3.50
Nat Gas note	1.96	1.96	1.96	1.96
NZ Refining	N.T.	N.T.	N.T.	24.35
Telecom NZ	6.52	6.42	6.42	6.53
Trust Bk NZ	2.02	2.01	2.01	2.03
Wilson Horton	9.00	9.00	9.00	9.00

NZSE-40 index: 2088.63
Previous: 2100.96

Zurich

	High	Low	Close	Prev.
Adia B	192	185	185	189
Alusuisse R	923	913	913	917
Ares-Serono B	818	817	818	810
Baer Hdg B	1255	1245	1250	1240
Baloise Hdg R	2500	2420	2475	2420
BBC B	1413	1392	1392	1410
Bk Vision	1585	1567	1568	1586
Bobst B	1910	1900	1910	1895
Ciba Geigy R	1004	986	995	1008
CS Holdings R	115	113.50	113.75	114.75
Elektrowatt B	415	408	409	414
Fischer B	1550	1530	1530	1545
Hilti PC	912	900	907	910
Holderbank B	864	840	854	864
Landis Gyr R	945	945	945	945
Madaur Hdg R	260	255	256	255
Motor Colbus	2220	2190	2190	2220
Nestle R	1263	1252	1254	1262
Oerlikon R	108	106	106	107
Pargesa Hld B	1510	1500	1500	1500
PharmaVisn B	6190	6000	6000	6200
Pirelli B	125	125	125	127
Roche Hdg PC	8930	8665	8770	8940
Safra Republic	100	100	100	100
Sandoz R	1010	994	1005	999
SBC B	450	443	444	447
Schindler B	1220	1190	1195	1180
SGS B	2400	2360	2380	2320
SMH B	740	705	705	715
Sulzer R	741	735	735	736
Swiss Reins R	1233	1202	1212	1209
Swissair R	935	911	935	901
UBS B	1343	1316	1324	1344
Winterthur R	804	797	797	800
Zurich Assur R	331	322	322	329

SPI index: 2104.40
Previous: 2119.86

EUROPE

Summer Traffic Gives Air France Temporary Lift

Bloomberg Business News

PARIS — Air France said Wednesday it swung into profit in the first half of its 1996 financial year as it recorded net earnings of 232 million French francs ($46.3 million) after a loss in the year-earlier period of 477 million francs.

But the airline said it expected to report a loss for the full financial year, which ends March 31, of 1.2 billion francs, not including a charge to be taken for job cuts occurring through early retirements and attrition.

The first six months of Air France's financial year include the summer months, when airlines traditionally carry the greatest number of passengers and reap the greatest profit. The airline cannot expect that the second half from October to March, a traditionally slow period, would bring in similar results.

The company a year ago changed its reporting period to a financial year that ends March 31 from a calendar year.

Air France reported an operating profit for the first six months of its financial year of 955 million francs, compared with an operating profit of 325 million francs in the year-earlier period. The carrier reported a loss of 3.3 billion francs in its 1995 financial year.

The company did not provide any information about interest payments, but Air France's total noncurrent liabilities at the end of 1995 were 37.4 billion francs.

The company also said that Stephen Wolf, who for the past eight months has served as special adviser to Air France Chairman Christian Blanc, would no longer be advising the airline because he has joined USAir as president.

"Even if I am said to be deprived of Steve's counsel, who has been very precious to me over the last eight months, I wish him every success," Mr. Blanc said.

Air France noted in the statement that since the end of 1994, the results of its former subsidiary Air Inter are excluded from results. The domestic carrier Air Inter was formerly a subsidiary of Air France but is now a subsidiary of the holding company that controls Air France.

■ Europe's Traffic on Rise

The number of European air passenger journeys will double in 12 years and the only solution to cope with the increased traffic is more capacity at Europe's hub airports, said Karl Heinz Neumeister, secretary-general of the Association of European Airlines, according to a report by AFX News.

In 1993 there were 600 million arrivals and departures at European airports, but by 2005 the total will rise to 1.2 billion, Mr. Neumeister told members of Parliament at a committee hearing on British runway capacity.

Approximately 9 million landings and take-offs at European airports in 1993 could grow to more than 16 million in 2005.

Olivetti Expects Restructuring Costs To Widen 1995 Loss

Bloomberg Business News

MILAN — Olivetti SpA warned analysts on Wednesday to expect a 1995 loss of 1.5 trillion lire ($943 million), wider than anticipated, because of high restructuring charges and a revenue shortfall in its traditional businesses.

The news comes just less than a month after the computer and office-equipment maker collected 2.26 trillion lire in new capital from investors. The rights offering was meant to plug losses in its personal-computer division and to finance investment in telecommunications. Its cellular phone joint venture Omnitel-Pronto Italia started last month.

Some analysts downgraded their forecasts for the company amid worries that Olivetti would need more provisions to bring its ailing personal computer division back to health.

The shares closed 3 percent lower, at 1,031 lire Wednesday, and have tumbled 15 percent since last week.

Olivetti's chairman, Carlo de Benedetti, has said he would step down from management if Olivetti showed no turnaround by midyear.

"The problem is that Olivetti, over the past few years, has gotten investors into the habit of hearing these brutal surprises about their results," said Enrico Biglino, a fund manager at Eptafund. The company has reported four straight years of losses and has raised capital twice in two years. *(Bloomberg, Reuters)*

Progress on German Jobs?

Cutting Overtime Could Help, 2 Sides Agree

Compiled by Our Staff From Dispatches

BONN — German metalworking employers and employees sought common ground on Wednesday in their efforts to create jobs, saying limiting overtime work could help.

The two sides, which will meet Thursday to continue talks, appeared to differ, however, on how many new jobs could be created by limiting overtime.

The deputy head of powerful IG Metall union, Walter Riester, said reducing overtime work could add 80,000 to 90,000 jobs this year.

Werner Stumpfe, director of the employers federation Gesamtmetall, told the Handelsblatt financial daily that there were a "considerable volume of overtime hours which could in fact be transformed into jobs."

But he said it was "an outright impossibility" that cutting overtime this year could create as many as 110,000 new jobs.

The union, which last year won an unexpectedly high wage rise valued at 4 percent annually for 1995 and 1996, has offered under its Alliance for Jobs proposal to limit its 1997 wage demand to inflation if employers create 330,000 jobs over three years.

Most Germans doubt the proposal can ever be implemented, according to a recent poll.

Forty-seven percent of Germans polled by the Allensbach institute said it was unrealistic to expect companies to promise to create jobs, according to the daily Frankfurter Allgemeine Zeitung.

Initial talks over the plan ended acrimoniously a week ago. The leader of IG Metall, Klaus Zwickel, complained that employers had failed to make any conciliatory move on the offer.

Earlier this week, the German Industry Federation proposed sweeping changes that it said could create 2 million jobs by 2000, mostly through lower taxes and increased government spending.

The employers said ways must be found to slow layoffs before job creation could be considered, and they proposed liberalizing labor laws, giving individual companies freedom to negotiate wages and using performance-related payments.

France Cuts Social Charges on Low Wages

Bloomberg Business News

PARIS — The government said Wednesday it would cut by 20 percent the social security contributions levied on low-wage employees in an attempt to spur job creation.

Finance Minister Jean Arthuis, meanwhile, said France was likely to cut its current forecast of 2.8 percent growth in 1996 gross domestic product.

"Our 1996 forecast was for 2.8 percent growth," Mr. Arthuis said. "That will most likely be revised down in the coming weeks." He added that the government would stick to its estimate of 2.6 percent growth for 1995.

Jacques Barrot, the labor and health minister, said the cut in social security charges would go into effect Oct. 1. Mr. Barrot said social security contributions would be lowered for people who are paid under 8,300 French francs ($1,666) per month.

In France, social security contributions made by employers and workers represent about 40 percent of labor costs. The high cost of low-skilled labor is seen by many as a key reason for France's 11.5 percent unemployment rate.

■ Cell-Phone Market Opens

France said Wednesday it would permit two companies, Cofiroute and Sanef, to provide infrastructure for cellular-phone services, in direct competition with the state-owned France Telecom.

In May, under pressure from the European Union, France said it would allow the state-owned railway, Société Nationale des Chemins de Fer to lease its telecommunications lines to telephone-service companies. Under EU rules, countries must liberalize telecommunications markets by 1998.

Cofiroute is a road operator owned by Générale des Eaux SA, Lyonnaise des Eaux SA, and Bouygues SA.

Sanef is a government-owned road company.

Cost Cuts Buoy Roche Earnings

Compiled by Our Staff From Dispatches

BASEL — Roche Holding AG, said Wednesday it expected its profit to show a rise for 1995 because of cost cuts and nonoperating income, even as the strong Swiss franc trimmed its revenue.

The Swiss pharmaceuticals-and-chemicals concern said sales fell 0.2 percent, to 14.72 billion Swiss francs ($12.45 billion). In local currencies, sales rose 11 percent.

On Swiss stock exchanges, Roche dividend-rights certificates fell 85 francs, to 8,860 francs, in a declining market.

Roche said the reorganization of its drugs division in the wake of the acquisition of the U.S. biotechnology company Syntex Corp. produced cost savings and boosted its market position. Roche also said its nonoperating results, which includes income from securities, were "good."

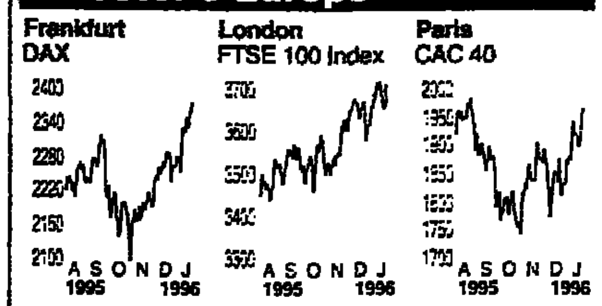
Analysts said the rise in sales was largely a reflection of the $5.3 billion Syntex takeover.

"My guess is that without Syntex, which was consolidated in November 1994, the sales figures would have been flat in local currencies," said Philipp Buchli, an analyst at Bank Sal. Oppenheim Jr. in Zurich. About 5,000 jobs were eliminated in the takeover of Syntex.

Roche earns nearly 50 percent of its sales in the U.S. and Latin America. That means the franc's 12 percent gain against the dollar last year significantly diluted Roche's dollar and dollar-related revenue when it was converted into Swiss francs.

Roche was the first of Switzerland's three large drugmakers to post 1995 sales. Sandoz AG is expected to report this week, while Ciba-Geigy AG has not said when it will report. *(Bloomberg, AP)*

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	505.00	504.56	+0.09
Brussels	Stock Exchange	8,783.16	8,736.06	+0.54
Frankfurt	DAX	2,371.30	2,376.87	-0.23
Copenhagen	Stock Market	388.83	385.89	+0.76
Helsinki	HEX General	1,680.37	1,673.91	+0.39
Oslo	OBX	413.23	414.06	-0.20
London	FTSE 100	3,704.20	3,710.60	-0.17
Madrid	Stock Exchange	328.33	327.46	+0.27
Milan	MIBTEL	9,344.00	9,324.00	+0.21
Paris	CAC 40	1,966.00	1,952.10	+0.71
Stockholm	SX 16	1,799.61	1,808.43	-0.49
Vienna	ATX	1,030.40	1,033.09	-0.26
Zurich	SPI	2,104.40	2,119.86	-0.73

Source: Telekurs — International Herald Tribune

Very briefly:

- **Investor AB**, the holding company controlled by the Wallenberg family that owns stakes in many of Sweden's top companies, is considering having its shares traded in America. Chief Executive Claes Dahlbaeck said in an interview with Swedish news agency Direkt.
- **Sepap Steti AS** expects to post a pretax profit rise of 42 percent to 1.7 billion koruna ($63.4 million) from 1995 on sales increases, according to reports. The Czech paper company is partly owned by **AssiDomaen AB** of Sweden and **Stratton Investments Ltd.**
- **European Union** business investment is expected to grow by 4 percent in 1996 after surging 11 percent last year, the European Commission said.
- **Gold Fields of South Africa Ltd.** said net profit fell 29 percent in the first half ended December, to 137 million rand ($37.6 million), as its gold mines struggled to lift earnings because of rising production costs.
- **Body Shop International PLC** said financial 1996 pretax profit would be lower than last year's £33.5 million ($51.3 million) because of weak sales at its U.S. shops.
- **Remy Cointreau SA** said its sales suffered because of a boycott of French goods in protest against France's resumption of nuclear testing. On Tuesday, the cognac-and-liqueur maker said first-half sales rose nearly 4 percent, to 2.94 million francs ($590,361).
- **Metallgesellschaft AG**'s trading unit said 1995 net profit rose 12 percent, to 20.4 million Deutsche marks ($14.07 million), because trading in fertilizers, industrial chemicals and metals was profitable.
- **Hinduja Group** of London, which has a controlling stake in **Ashok Leyland Ltd.**, a truck maker, is teaming up with **Toyota Motor Corp.** and **Daihatsu Motor Co.** of Japan in a carmaking joint venture in India.
- **Bayer AG** merged its worldwide activities for paper and leather industries into a Specialty Products Business group.

Bloomberg, AFX, AP, Reuters

AMEX

Wednesday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street. *The Associated Press*

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5084.97	5097.97	5032.09	5046.90	−21.32
Trans	1896.67	1922.43	1883.38	1900.04	+4.09
Util	229.44	230.02	228.55	229.11	−0.49
Comp	1667.34	1677.39	1660.40	1665.23	−3.34

Standard & Poors

	High	Low	Close	Chg.
Industrials	711.62	705.16	707.81	−3.41
Transp.	473.40	468.03	470.14	−0.66
Utilities	206.41	204.34	204.81	−1.45
Finance	61.53	60.67	61.27	+0.45
SP 500	609.93	604.70	606.38	−2.06
SP 100	583.20	577.36	578.93	−3.06

NYSE

	High	Low	Last	Chg.
Composite	326.71	324.56	325.29	−0.54
Industrials	407.73	404.80	405.73	−1.31
Transp.	299.51	296.51	297.38	−0.21
Utility	256.53	254.89	255.20	−1.27
Finance	273.59	270.48	272.97	+2.00

Nasdaq

	High	Low	Last	Chg.
Composite	1004.87	990.61	997.22	+1.35
Industrials	977.43	986.08	972.72	+3.62
Banks	1007.98	1004.88	1007.30	+2.74
Insurance	1272.43	1255.12	1273.20	+16.66
Finance	1203.64	1196.18	1199.74	+4.45
Transp.	780.30	771.81	779.25	+10.14

AMEX

	High	Low	Last	Chg.
	533.71	531.05	533.21	+1.30

Dow Jones Bond

	Close	Chg.
20 Bonds	105.56	+0.22
10 Utilities	102.01	+0.15
10 Industrials	109.11	+0.28

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
WalMart	162166	20⅞	20	20¼	−2¼
Telef	113233	44⅞	43⅞	43⅞	+⅛
MicmT s	99986	34½	31⅞	33⅝	−⅞
Compaq	65911	46¼	43⅛	45⅛	−3⅛
Motorola	58459	50⅞	48⅞	49⅝	+⅞
Citicorp	57815	70⅞	69⅞	70⅝	+1⅛
IBM	43238	86⅞	85⅝	87¼	−¼
Teulest s	41990	48	43⅞	45⅞	+1⅜
LSI Log s	39767	28⅞	25⅞	26⅞	
HewlPk s	35257	81⅞	75⅞	77	−2⅝
AbtLab	35789	38⅞	38⅞	38⅞	−1⅛
RJR plC	34435	6⅞	6⅝	6⅝	−⅛
PharUpi n	33147	40⅞	38⅞	38⅞	+⅛
K mart	32267	6⅞	6⅞	6⅞	
Merck	32143	65⅞	65	65⅞	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	481471	52⅞	49⅞	50⅞	−5⅞
SunMic s	150150	46	42⅞	44⅞	+3
Cisco	93970	72	66⅞	69⅞	+1⅞
Microsoft	89377	87⅞	84⅞	84⅞	−1½
BayNtwk s	87373	40⅞	36⅞	39⅞	+1
DellCpt s	80409	25⅞	23⅞	22⅞	−3⅞
ApldMat s	73664	35⅞	31⅞	32⅞	+⅞
Intel wt s	70707	23⅞	20⅞	21⅞	−3⅞
Oracle s	58880	44⅞	41	42⅞	+1
Ascend s	57478	40⅞	36	39⅞	−3⅞
VLSI	54500	13⅞	12⅞	12⅞	−1⅞
DSC	47884	23⅞	22⅞	22⅞	−⅞
3Com s	47398	41⅞	38⅞	40⅞	+⅞
Atmel s	46532	23⅞	19⅞	23⅞	+2⅞
MCI	45929	27⅞	26⅞	27⅞	+⅞

AMEX

	Vol.	High	Low	Last	Chg.
ViacB	22672	41½	39⅞	41⅞	+⅞
Oranen s	15188	21⅞	17⅞	17⅞	−3½
US Biosci	8880	5⅞	5⅞	5⅞	+⅞
EchoBay	7789	11⅞	11⅞	11⅞	+⅛
TopSrce	5614	5⅞	5	5⅞	−⅞
TWA n	5295	10⅞	9⅞	10	+⅞
RoyalO g	5156	4⅞	4⅞	4⅞	+⅞
EmsrR	5152	2⅞	2⅞	2⅞	+⅞
SPDR	3986	61⅞	60⅞	60⅞	−⅞
Nabors	3585	10⅞	10⅞	10⅞	−⅞

Trading Activity

NYSE

	Close	Prev.
Advanced	1221	1402
Declined	1127	948
Unchanged	759	714
Total issues	3117	3094
New Highs	159	122
New Lows	32	30

Nasdaq

	Close	Prev.
Advanced	1769	1738
Declined	1771	1830
Unchanged	1772	1745
Total issues	5312	5313
New Highs	123	102
New Lows	83	114

AMEX

	Noon	Prev.
Advanced	205	260
Declined	197	266
Unchanged	207	208
Total issues	609	734
New Highs	15	18
New Lows	6	10

Market Sales

	Today Close	Prev. cons.
NYSE	458.72	504.45
Amex	17.45	20.66
Nasdaq	590.41	561.85

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Adams Express	-	.12	2-20	3-1
Caldwell Ptnrs	g	.11	2-2	2-16
Evergreen Mngd BdY	-	.058	1-16	1-17
Evergreen Util A	-	.036	1-16	1-17
Evergreen Util B	-	.029	1-16	1-17
Keystone B2	-	.085	1-24	2-6
Keystone K1	-	.075	1-24	2-6
Petrol & Resource	-	.20	2-20	3-1
STOCK SPLIT				
Centennial Bncp 11 for 10 split.				
Fst Tenn Natl 2 for 1 split.				
Utd Carolina 3 for 2 split.				
INCREASED				
Computer Data	S	.06	2-6	2-16
HUBCO Inc	Q	.17	2-16	3-1
Harris Svgs	Q	.145	1-30	2-13
Heritage Fincl	Q	.13	1-31	2-13
Leader Fncl	Q	.18	3-15	4-1
Republic NY	Q	.38	3-15	4-1
St Joseph Light	Q	.47	2-2	2-20
St Paul Bncp	Q	.10	1-31	2-15
Queens CtyBncp	Q	.20	2-1	2-15
Wshington Mutual	Q	.21	2-1	2-15
INITIAL				
Fst Tenn Natl n	-	.265	3-15	4-1
Fst Westrn Bncp n	-	.18	1-29	2-6
Smart BnchsBTX h	-	.07	2-1	2-15
Utd Carolina n	-	.18	2-9	2-16
SPECIAL				
Mellon Particip	-	1.95	1-26	2-2
Oppenheimr Cap LP	-	.55	1-31	2-29
REGULAR				
Bankers First	Q	.15	1-31	2-15
Briggs & Stratton	Q	.26	3-1	4-1
Butler Mfg	Q	.10	3-15	4-3
Dauphin Deposit	Q	.265	3-22	4-12
Evergrn SmUtil A	M	.051	1-16	1-17
Evergreen Sht Y	M	.052	1-16	1-17
Fidelity Bncp Chi	Q	.06	1-31	2-15
Hawaiian Elect	Q	.60	2-14	3-11
HealthCare REIT	Q	.52	2-2	2-20
Hechinger A	Q	.04	1-26	2-16
Hechinger B	Q	.016	1-26	2-16
Keystne AmGv Sec	M	.055	1-24	2-6
Keystone Am TxFr	M	.043	1-24	2-6
Keystne AmWldBd	M	.05	1-24	2-6
Keystone B1	M	.078	1-24	2-6
Keystone B4	M	.031	1-24	2-6
Lance Inc	Q	.24	2-1	2-15
OppenheimrCp LP	M	.425	1-31	2-29
Smith AO	Q	.15	1-31	2-15
TEPPCO Partners	Q	.70	1-31	2-9
Transam Inco Shrs	M	.16	1-31	2-15
VanKamAC CAMu	M	.0625	1-31	2-15
VanKamAC InGd	M	.065	1-31	2-15

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Jan. 17, 1996

Grains

CORN (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 96	3.56¾	3.47½	3.51¼	−0.02¼	34,325
May 96	3.60¼	3.52½	3.56½	−0.02	101,887
Jul 96	3.56¼	3.49¼	3.53	−0.00¾	84,063
Sep 96	3.06¼	3.00¾	3.01½	−0.02½	22,865
Dec 96	2.89¼	2.85	2.85½	−0.00¾	50,251

Est. sales N.A. Tue's. sales 157,774
Tue's open int 497,745 off 5116

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Close	Chge	Opint
Jan 96	232.50	229.50	231.80	−1.00	1,066
Mar 96	236.00	232.00	235.30	−0.50	53,672
May 96	237.20	233.50	236.40	−0.70	15,292
Jul 96	236.50	233.50	235.70	−0.50	14,899
Aug 96	233.50	231.00	232.70	−0.80	2,680
Sep 96	227.50	225.50	226.50	−1.00	1,907

Est. sales N.A. Tue's. sales 225,865
Tue's open int 94,442 off 1073

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.

	High	Low	Close	Chge	Opint
Jan 96	23.90	23.65	23.87	+0.12	739
Mar 96	24.18	23.85	24.09	+0.07	44,567
May 96	24.55	24.22	24.45	+0.07	16,033
Jul 96	24.90	24.62	24.83	+0.09	14,212
Aug 96	25.07	24.80	24.98	+0.12	3,438
Sep 96	25.22	24.97	25.12	+0.10	1,635

Est. sales N.A. Tue's. sales 14,990
Tue's open int 87,810 up 571

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Jan 96	7.30	7.19½	7.28½	+0.00¾	2,683
Mar 96	7.39	7.28	7.36¼	+0.01	97,530
May 96	7.43¾	7.33	7.41½	+0.00¾	27,358
Jul 96	7.44¾	7.34	7.42½	+0.00½	30,414
Aug 96	7.39	7.30	7.37	−0.00½	2,402

Est. sales N.A. Tue's. sales 76,518
Tue's open int 196,571 up 854

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

	High	Low	Close	Chge	Opint
Mar 96	4.82½	4.73	4.79	−0.01	54,502
May 96	4.57½	4.49	4.54¼	+0.00¾	10,507
Jul 96	4.20	4.11½	4.18	−0.02½	30,744
Sep 96	4.21½	4.13	4.18½	−0.03	6,170

Est. sales N.A. Tue's. sales 44,998
Tue's open int 105,375 up 4090

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 96	66.10	65.67	65.80	+0.13	26,779
Apr 96	66.15	65.62	65.85	−0.02	19,665
Jun 96	62.20	61.85	61.87	−0.18	12,223
Aug 96	61.35	61.05	61.10	−0.13	5,230
Oct 96	62.50	62.25	62.27	−0.18	4,691
Dec 96	62.62	62.42	62.42	−0.18	2,740

Est. sales 8,689 Tue's. sales 12,579
Tue's open int 71,622 up 488

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 96	60.27	59.92	60.25	+0.15	1,661
Mar 96	59.00	58.42	58.97	+0.30	7,470
Apr 96	59.07	58.60	59.00	+0.33	2,815
May 96	59.05	58.70	58.87	+0.12	3,060
Aug 96	60.40	59.92	60.27	+0.07	3,181
Sep 96	60.25	59.95	60.20	−0.05	378

Est. sales 2,920 Tue's. sales 4,034
Tue's open int 19,264 up 393

HOGS (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 96	46.22	45.45	45.62	−0.38	10,559
Apr 96	45.70	44.60	44.82	−0.70	10,036
Jun 96	51.85	50.70	50.77	−0.95	6,326
Jul 96	51.45	50.12	50.17	−1.15	3,043
Aug 96	50.50	49.50	49.60	−0.90	3,330
Oct 96	46.75	46.15	46.35	−0.30	1,420

Est. sales 8,837 Tue's. sales 6,676
Tue's open int 25,622 up 587

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Feb 96	54.80	51.90	52.27	−1.35	3,841
Mar 96	54.60	52.50	52.62	−1.50	1,227
May 96	55.50	53.55	53.62	−1.55	863
Jul 96	55.95	54.20	54.42	−1.43	721
Aug 96	53.70	51.90	51.90	−1.80	192

Est. sales 2,621 Tue's. sales 1,640
Tue's open int 6,844 up 8

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Close	Chge	Opint
Mar 96	1283	1275	1282	−9	35,975
May 96	1312	1297	1300	−12	21,300
Jul 96	1335	1318	1321	−14	7,870
Sep 96	1350	1338	1342	−19	9,409
Dec 96	1374	1373	1373	−12	8,465

Est. sales 8,864 Tue's. sales 9,777
Tue's open int 98,866 off 554

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 96	105.50	103.05	104.30	+0.40	17,401
May 96	104.50	102.50	103.40	+0.20	6,618
Jul 96	104.00	102.30	103.25	+0.15	2,388
Sep 96	103.75	102.00	102.60	−0.40	1,552

Est. sales 9,074 Tue's. sales 13,206
Tue's open int 29,187 up 918

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 96	11.18	11.02	11.09	+0.22	69,128
May 96	10.90	10.70	10.76	+0.17	28,315
Jul 96	10.20	10.04	10.10	+0.10	19,394
Oct 96	10.00	9.89	9.95	+0.14	19,499

Est. sales 37,484 Tue's. sales 86,194
Tue's open int 150,832 off 15612

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 96			123.50	−0.75	1,136
Mar 96	118.90	116.80	117.10	−0.55	14,155
May 96	121.50	119.50	119.50	−0.75	3,099
Jul 96	123.30	121.50	121.55	−0.85	1,312

Est. sales N.A. Tue's. sales 2,323
Tue's open int 23,388 up 112

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 96			399.70	+1.20	
Feb 96	400.30	397.10	400.00	+1.20	95,882
Mar 96	399.30		400.80	+1.20	3
Apr 96	402.00	399.10	401.80	+1.20	27,456
Jun 96	403.50	401.30	403.60	+1.20	28,648
Aug 96	405.50	404.50	405.30	+1.20	7,007
Oct 96			406.90	+1.30	4,197
Dec 96	408.80	406.00	408.50	+1.30	12,957

Est. sales N.A. Tue's. sales 36,176
Tue's open int 213,033 up 1102

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Jan 96	116.10	113.80	114.15	+0.15	2,398
Mar 96	113.85	111.50	111.65	−0.90	27,106
Apr 96	112.50	111.75	110.55	−0.80	888
May 96	111.20	109.50	109.50	−0.65	5,259
Jul 96	110.20	108.25	108.35	−0.50	2,776
Aug 96	109.65	108.90	107.75	−0.65	420
Sep 96	108.00	108.00	107.20	−0.55	1,494
Oct 96	108.40	108.10	106.65	−0.60	304
Nov 96	108.00	107.80	106.15	−0.60	236

Est. sales N.A. Tue's. sales 7,908
Tue's open int 48,590 up 819

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Close	Chge	Opint
Jan 96	545.5	544.5	547.5	+2.9	6
Feb 96			550.0	+2.8	
Mar 96	553.0	545.0	551.5	+2.8	61,268
May 96	556.5	550.5	556.4	+2.8	11,252
Jul 96	560.0	554.5	560.8	+2.7	8,007
Sep 96	559.5	558.5	564.8	+2.5	8,937
Dec 96	572.0	565.0	570.9	+2.3	5,610
Jan 97			574.0	+2.3	

Est. sales N.A. Tue's. sales 16,158
Tue's open int 98,602 off 385

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Close	Chge	Opint
Jan 96			417.60	−1.00	2
Apr 96	422.90	419.10	421.10		18,905
Jul 96	424.20	421.00	422.80		2,459
Oct 96	425.50	424.50	424.30		1,367
Jan 97			425.90		

Est. sales N.A. Tue's. sales 2,349
Tue's open int 22,787 off 77

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1607.00	1608.00	1583½	1584½
Forward	1598.00	1599.00	1583.00	1583½
Copper Cathodes (High Grade)				
Spot	2591.00	2596.00	2534.00	2539.00
Forward	2480.00	2481.00	2446.00	2447.00
Lead				
Spot	716.00	717.00	701.00	702.00
Forward	708.00	709.00	695.00	696.00
Nickel				
Spot	7810.00	7820.00	7525.00	7535.00
Forward	7910.00	7912.00	7635.00	7640.00
Tin				
Spot	6265.00	6275.00	6225.00	6235.00
Forward	6300.00	6310.00	6260.00	6270.00
Zinc (Special High Grade)				
Spot	1028.00	1029.00	1014.00	1015.00
Forward	1050.00	1051.00	1036.00	1037.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Mar 96	95.20	95.14	95.19	+0.05	8,050
Jun 96	95.51	95.46	95.48		6,186
Sep 96	95.60	95.55	95.60	+0.03	379

Est. sales N.A. Tue's. sales 1,568
Tue's open int 14,615 up 792

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 96	110-195	110-09	110-19	+09	147,206
Jun 96	110-12	110-03	110-12	+105	12,803
Sep 96	110-11	110-04	110-11	+11	3,783

Est. sales N.A. Tue's. sales 43,528
Tue's open int 163,792 up 6032

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar 96	114-26	114-07	114-24	+17	223,644
Jun 96	114-06	113-23	114-06	+17	23,372
Sep 96	114-08	113-24	114-08	+18	3,975

Est. sales N.A. Tue's. sales 86,378
Tue's open int 250,991 up 7903

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Mar 96	121-05	120-05	121-04	+103	346,016
Jun 96	120-24	119-23	120-22	+103	20,165
Sep 96	120-06	119-10	120-06	+103	5,700
Dec 96			119-21	+103	1,308

Est. sales N.A. Tue's. sales 320,210
Tue's open int 374,467 off 2581

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Mar96	112-06	111-12	111-26	−0-03	144,878
Jun96	N.T.	N.T.	111-06	−0-03	481

Est. sales: 92,478. Prev sales: 90,067
Prev. open int.: 145,359 up 6,333

GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar96	101.23	100.60	100.69	−0.27	228,075
Jun96	100.52	99.99	100.00	−0.27	4,736

Est. sales: 231,862. Prev. sales: 169,250
Prev. open int.: 232,811 up 6,744

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar 96	122.90	122.36	122.88	+0.20	
Jun 96	123.36	122.88	123.36	+0.22	
Sep 96	122.08	122.16	122.16	+0.22	

Est. volume:241,706. Open int.:131,505.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar96	112.15	111.31	111.44	+0.02	62,025
Jun96	111.40	111.07	111.02	−0.04	1,726

Est. sales: 59,456. Prev. sales: 65,021
Prev. open int.: 63,751 up 2,911

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Close	Chge	Opint
Feb 96	94.598	94.560	94.580		15,578
Mar 96	94.700	94.650	94.690	+30	423,377
Apr 96	94.840	94.790	94.830	+40	1,548
Jun 96	95.080	95.010	95.060	+10	443,197
Sep 96	95.190	95.110	95.170	+30	266,325
Dec 96	95.130	95.050	95.120	+50	242,967
Mar 97	95.080	95.000	95.070	+50	170,666
Jun 97	94.960	94.890	94.950	+50	158,826

Est. sales N.A. Tue's. sales 424,737
Tue's open int 2,482,959 up 14182

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Close	Chge	Opint
Mar 96	1.5240	1.5178	1.5194	−146	33,505
Jun 96	1.5240	1.5140	1.5162	−144	173
Sep 96			1.5122	−146	5
Dec 96			1.5082	−146	30

Est. sales 25,961 Tue's. sales 17,269
Tue's open int 33,713 off 1170

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Close	Chge	Opint
Mar 96	.7327	.7295	.7321	+19	24,488
Jun 96	.7325	.7292	.7318	+19	2,114
Sep 96			.7318	+19	619
Dec 96	.7304	.7280	.7300	+19	966

Est. sales 3,847 Tue's. sales 5,796
Tue's open int 28,290 up 217

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Close	Chge	Opint
Mar 96	.6868	.6817	.6822	−35	68,633
Jun 96	.6894	.6851	.6855	−34	3,122
Sep 96	.6915	.6890	.6885	−35	1,362
Dec 96			.6915	−35	63

Est. sales 32,142 Tue's. sales 44,113
Tue's open int 73,180 up 9018

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Close	Chge	Opint
Mar 96	.009586	.009496	.009563	+26	80,325
Jun 96	.009693	.009639	.009677	+27	3,302
Sep 96	.009790	.009783	.009784	+28	486

Est. sales 21,025 Tue's. sales 21,885
Tue's open int 84,384 up 2314

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Close	Chge	Opint
Mar 96	.8547	.8464	.8467	−71	41,437
Jun 96	.8616	.8540	.8545	−72	937
Sep 96			.8617	−75	88

Est. sales 19,596 Tue's. sales 25,044
Tue's open int 42,831 up 2388

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar96	93.80	93.75	93.77	Unch.	92,201
Jun96	93.99	93.90	93.95	−0.01	67,390
Sep96	94.02	93.92	93.97	−0.02	54,712
Dec96	93.92	93.78	93.86	−0.02	41,914
Mar97	93.71	93.58	93.66	−0.01	29,348
Jun97	93.51	93.38	93.46	−0.01	27,396
Sep97	93.31	93.20	93.26	−0.01	19,511
Dec97	93.12	92.99	93.07	−0.01	13,688
Mar98	92.90	92.86	92.90	−0.01	7,040
Jun98	92.76	92.73	92.78	Unch.	4,616
Sep98	92.63	92.60	92.65	Unch.	3,322
Dec98	92.48	92.48	92.53	Unch.	2,596

Est. sales: 64,582. Prev. sales: 64,871
Prev. open int.: 363,734 up 4,467

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar96	96.63	96.60	96.61	+0.01	186,078
Jun96	96.80	96.76	96.79	+0.02	159,843
Sep96	96.82	96.78	96.82	−0.03	135,486
Dec96	96.73	96.67	96.70	Unch.	128,930
Mar97	96.55	96.48	96.51	−0.01	123,306
Jun97	96.33	96.24	96.28	−0.02	107,724
Sep97	96.07	95.96	95.99	−0.05	72,960
Dec97	95.77	95.66	95.69	−0.05	47,948
Mar98	95.50	95.37	95.39	−0.05	39,952
Jun98	95.19	95.07	95.10	−0.04	26,364
Sep98	94.88	94.80	94.80	−0.04	16,580
Dec98	94.55	94.51	94.51	−0.04	6,489

Est. sales: 169,099. Prev. sales: 176,441
Prev. open int.: 1,051,860 up 26,537

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Close	Chge
Mar 96	95.43	95.32	95.41	+0.06
Jun 96	95.67	95.55	95.62	+0.04
Sep 96	95.72	95.62	95.69	+0.05
Dec 96	95.65	95.55	95.62	+0.04
Mar 97	95.51	95.42	95.47	+0.04
Jun 97	95.28	95.22	95.27	+0.05
Sep 97	95.05	94.97	95.02	+0.05
Dec 97	94.77	94.73	94.76	+0.05

Est. volume:65,388. Open int.:188,578.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Close	Chge	Opint
Mar96	90.47	90.35	90.41	+0.04	45,997
Jun96	90.95	90.85	90.91	+0.05	27,611
Sep96	91.17	91.11	91.15	+0.05	15,193
Dec96	91.25	91.21	91.24	+0.06	8,564
Mar97	91.26	91.20	91.24	+0.05	4,096
Jun97	91.22	91.19	91.21	+0.01	1,405

Est. sales: 20,778. Prev. sales: 26,902
Prev. open int.: 102,864 up 331

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Close	Chge	Opint
Mar 96	82.80	81.95	82.75	+1.71	21,897
May 96	82.15	81.30	82.08	+0.68	11,788
Jul 96	81.60	80.81	81.52	+0.65	7,636
Oct 96	78.35	77.95	78.25	+0.02	1,804
Dec 96	76.75	76.35	76.78	+0.41	11,097

HEATING OIL (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 96	53.40	52.05	53.05	+0.62	37,968
Mar 96	52.15	51.00	51.85	+0.44	27,189
Apr 96	49.80	48.85	49.75	+0.54	11,368
May 96	48.10	47.35	47.80	+0.19	6,664
Jun 96	47.41	46.85	47.25	+0.29	9,270
Jul 96	47.31	47.00	47.15	+0.29	5,714
Aug 96	47.76	47.40	47.50	+0.19	3,137
Sep 96	48.46	48.00	48.15	+0.14	2,046
Oct 96	49.16	48.80	48.90	+0.19	1,768
Nov 96	50.00	49.45	50.00	+0.64	2,012
Mar 97	77.60	77.40	77.73	+0.45	1,000

Est. sales N.A. Tue's. sales 50,848
Tue's open int 112,119 off 110

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Close	Chge	Opint
Feb 96	18.57	17.90	18.48	+0.43	47,434
Mar 96	18.10	17.58	18.00	+0.31	69,995
Apr 96	17.80	17.29	17.72	+0.29	44,244
May 96	17.60	17.20	17.55	+0.31	26,606
Jun 96	17.40	17.05	17.40	+0.31	39,439
Jul 96	17.27	17.00	17.25	+0.26	25,761
Aug 96	17.12	16.85	17.12	+0.22	18,403
Sep 96	17.10	16.89	17.10	+0.26	11,003
Oct 96	17.05	16.83	17.03	+0.25	10,272
Nov 96	16.96	16.93	16.95	+0.23	12,770
Dec 96	16.92	16.85	16.90	+0.24	31,713
Jan 97	16.92	16.89	16.92	+0.28	9,593
Feb 97	16.90	16.80	16.83	+0.21	7,030

Est. sales N.A. Tue's. sales 171,479
Tue's open int 403,241 up 14594

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Close	Chge	Opint
Feb 96	2.405	2.090	2.336	+262	30,618
Mar 96	2.110	1.965	2.088	+128	26,688
Apr 96	2.000	1.880	1.958	+108	14,398
May 96	1.920	1.825	1.878	+66	13,533
Jun 96	1.895	1.809	1.848	+43	10,194
Jul 96	1.865	1.825	1.828	+27	8,605
Aug 96	1.855	1.810	1.828	+25	7,936
Sep 96	1.850	1.815	1.833	+23	6,794
Oct 96	1.890	1.855	1.883	+20	6,206
Nov 96	1.980	1.935	1.970	+20	4,222
Dec 96	2.070	2.040	2.070	+20	7,761

Est. sales N.A. Tue's. sales 62,013
Tue's open int 160,237 off 1702

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

	High	Low	Close	Chge	Opint
Feb 96	55.10	52.97	54.98	+1.65	20,334
Mar 96	54.00	52.22	53.83	+1.27	20,127
Apr 96	55.70	55.00	55.88	+0.87	10,280
May 96	55.45	54.80	55.43	+0.78	7,057
Jun 96	54.65	54.25	54.75	+0.75	3,138
Jul 96	53.90	53.70	53.95	+0.75	3,111

Est. sales N.A. Tue's. sales 29,370
Tue's open int 66,199 up 1559

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Close	Chge	Opint
Feb 96	156.50	153.25	156.25	−1.00	23,621
Mar 96	153.00	150.50	152.75	unch.	11,608
Apr 96	150.25	148.75	149.75	−1.75	6,446
May 96	148.75	147.00	147.75	−2.50	2,703
Jun 96	148.25	146.50	147.25	−2.00	5,504
July 96	148.00	147.00	147.25	−2.00	4,284
Aug 96	N.T.	N.T.	148.75	−1.50	1,613
Sep 96	150.50	149.75	150.25	−1.00	513
Oct 96	151.75	151.50	151.75	−1.75	451

Est. sales:22,241. Open int.:59,681.

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Close	Chge	Opint
Mar 96	613.50	606.70	607.05	−3.85	197,142
Jun 96	619.00	612.50	613.50	−3.85	6,501
Sep 96	623.30	617.00	623.30	+2.50	2,968

Est. sales N.A. Tue's. sales 94,248
Tue's open int 206,707 up 554

FTSE 100 (LIFFE) £25 per index point

	High	Low	Close	Chge	Opint
Mar96	3741.0	3736.0	3723.0	−4.0	62,417
Jun96	3723.0	3716.0	3726.0	−3.0	1,118

Est. sales: 9,935. Prev. sales: 11,784
Prev. open int.: 63,529 off 496

CAC 40 (MATIF) FF200 per index point

	High	Low	Close	Chge
Jan 96	1977.00	1950.00	1975.00	+16.00
Feb 96	1982.50	1957.00	1982.00	+16.50
Mar 96	1991.00	1966.50	1988.50	+15.50
Jun 96	1961.00	1960.00	1967.00	+16.00
Sep 96	1976.00	1977.00	1977.00	+16.00

Est. volume:28,575 Open int.:59,178

Commodity Indexes

	Close	Previous
Moody's	1,428.10	1,439.90
Reuters	2,113.60	2,097.30
D.J. Futures	145.52	145.60
CRB	239.98	238.98

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.719	0.733
Copper electrolytic, lb	1.19	1.24
Iron FOB, ton	167.00	167.00
Lead, lb	0.48	0.48
Silver, troy oz	5.44	5.43
Steel (scrap), ton	126.83	126.83
Zinc, lb	0.5096	0.5129

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

NYSE

Wednesday's 4 p.m. Close

Nationwide prices, not reducing late trades elsewhere
The Associated Press

Continued on Page 16

CITIC Units Trim HK Telecom Stake To Fund Investments

Compiled by Our Staff From Dispatches

HONG KONG — CITIC Pacific Ltd. and its Hong Kong affiliate said Wednesday they had sold 3.63 billion Hong Kong dollars ($470.4 million) worth of shares in Hong Kong Telecommunications Ltd. to help finance new investments.

CITIC Pacific and CITIC (Hong Kong) Ltd., arms of China's leading overseas investment company, together sold 253 million Telecom shares at 14.35 dollars each. With the sale, CITIC Hong Kong sold its entire stake and CITIC Pacific cut its stake in Hong Kong Telecom to 10 percent from 12 percent.

Despite the sale, shares in Hong Kong Telecom rose 10 cents, to 15.10 dollars.

Hong Kong Telecom, which is 57.5 percent owned by Cable & Wireless PLC of Britain, has been dogged by concern that the utility would face growing competition following the loss of its domestic telephone monopoly last July.

"We're not taking a bearish view on Hong Kong Telecom," said Henry Fan, managing director of CITIC Pacific. "There's not much difference between owning 10 percent and 12 percent."

CITIC Pacific will hold its 10 percent stake as a long-term investment, bankers who arranged the sale said.

The sale comes less than two weeks after CITIC Pacific raised 3.18 billion Hong Kong dollars with a stock sale to help finance its expansion in Hong Kong and China.

A few analysts said they thought the sale was a sign that CITIC had lost confidence in Hong Kong Telecom. By selling now, CITIC Hong Kong is cashing in on a 106 percent gain in Telecom shares since 1991.

"CITIC has lost faith in HK Telecom's future profitability," said one analyst, who asked not to be named. "It sees HK Telecom's earnings slowing down over the next few years and, I believe, has chosen now to cash in on the market's recent rally."

Andrew Fernow, research director with Vickers Ballas, said, "I would not be surprised if CITIC unloads all of its holding in Cathay and HK Telecom."

Last September, CITIC Pacific reduced its stake in Cathay Pacific Airways Ltd., the territory's leading carrier, to 10 percent from 12 percent.

CITIC Pacific, which is controlled by China International Trust & Investment Corp., a Chinese state body, has been investing heavily in Hong Kong properties. It is teaming up with the Hong Kong billionaire Li Ka Shing to develop a rail station on the line to the territory's new airport.

It also is building one of Hong Kong's biggest shopping malls with the British-controlled Swire Pacific Ltd. The company also plans to build a new headquarters on the site of one of Hong Kong's most visible colonial symbols, the Tamar British naval base, near the central business district. *(Bloomberg, AFX)*

Japan Air Expects International Flights To Grow 3% to 5%

AFX News

TOKYO — Japan Airlines Co. expects its international passenger flights to expand by between 3 percent and 5 percent a year until 2000, the company said Wednesday while outlining its latest mid-term management plan.

Japan's flag carrier forecast that domestic routes would grow by 5 percent a year.

The company said its cargo capacity would rise by about 3 percent per year.

JAL also said it was on target to cut staffing levels to 17,000 by March 1998.

For the year to March 1997, the airline said it expected international passenger flights to rise 5 percent, with domestic passsenger flights increasing 2 percent.

Domestic cargo capacity is seen rising 3 percent in the same period, JAL said, adding that the key to increasing domestic cargo capacity was improving the usage of passenger flight services.

Japan Airlines plans to launch a new Tokyo-to-Chicago service in March and a Nagoya-to-Vancouver flight jointly with Canadian Air International from April. The Vancouver flight will run four times a week.

Also from April, the airline said it would run five additional flights to Honolulu.

JAL also plans to launch a service from Tokyo to Zurich, and is studying possible joint services to Vietnam with Air Vietnam and the reopening of services to New Delhi.

Sony Replays an Old Theme

Headquarters Asserts Control Over Divisions

Bloomberg Business News

TOKYO — Sony Corp.'s second reorganization in as many years marks the true beginning of President Nobuyuki Idei's leadership, and it returns control of Sony's far-flung operations to top executives.

The company said Tuesday it would change its structure, increasing the number of semi-independent units within the company to 10 from eight. One of the new units will oversee information technology, the other personal and mobile telecommunications. Both are new businesses for Sony.

Sony will also establish a committee of eight senior directors to oversee operations.

"It's an organizational change, but not a strategy change," said Yoshiharu Izumi of UBS Securities Ltd. "Idei has cemented his leadership position."

Appointed to the top job last April, Mr. Idei has spent the last nine months building consensus and consolidating his position. With that period over, he is now getting down to implementing his ideas.

Mr. Idei is overhauling a corporate structure Sony introduced in mid-1994, when the company was slipping. Profits were down because of a recession at home and a poor performance by its U.S. movie subsidiary.

The idea was that each unit, which Sony refers to as a "company," would become more independent than it is now, fostering creativity and the ability to respond faster to changes in the market.

"The previous reorganization may not have gone as well as Sony hoped," said Kunihiko Kawada, an analyst at James Capel Pacific Ltd.

Sony's consumer and audio-visual products division will be split into three parts, dealing with display technologies, home audio-visual products and personal audio-visual products.

The most significant of the new changes is the creation of the executive board — eight senior executives led by Mr. Idei — to oversee overall corporate strategy. Setting up the board means Sony has returned to strong central control of its operations.

"There will be clear channels of responsibility where there weren't any before," Mr. Izumi said.

Meanwhile, research and marketing activities will be stripped from each unit and moved to separate divisions. The changes are to take effect April 1.

Signs of a new look at Sony came last April when the company surprised observers by appointing Mr. Idei, a marketing man with no background in Sony's traditional manufacturing business.

Mr. Idei began with a promise to fix Sony's U.S. businesses, which account for 30 percent of revenue.

He acted first in December, when he oversaw the departure of Michael P. Schulhof, the head of Sony Corporation of America. Mr. Idei put himself and Chairman Norio Ohga in charge of U.S. operations.

Mr. Idei has also begun to steer Sony away from its traditional video and audio products and towards the multimedia business that combines technology with software such as film, music and on-line information.

Sony joined Intel Corp. last November to sell a range of personal computers, a product Sony has never been a force in. The company has also unveiled plans to establish an on-line entertainment network. Sony is also involved in distributing television programs, and has its own music label, Sony Records.

Many see the future of the electronics industry as some combination of computer, communications and audio-visual technologies with software, meaning that the days of being a simple manufacturer of devices are numbered.

Manila Developer Lands on Its Feet

Bloomberg Business News

MANILA — When a group led by Metro Pacific Corp. bid $1.5 billion for a half interest in a huge chunk of land near downtown Manila last year, investors reacted by dumping Metro's shares.

Nine weeks after the Jan. 6 bid, the stock had dropped 38 percent.

A year later, the deal does not look so bad. Land prices have doubled, which should make it easier for Metro Pacific, a unit of First Pacific Co. of Hong Kong, to sell some of the land to repay lenders.

The stock has risen by a third since Nov. 15, and closed Wednesday at 4.60 pesos (17.5 cents), down 5 centavos.

"I think they've made a very good investment," said Wayne Pascoe of the real estate consultants Colliers Jardine Philippines.

The plan is to build a new downtown with three times more offices, stores and housing than nearby Makati, the Wall Street of Manila.

That is a tall order, since many of the 530 acres (212 hectares) in the Fort Bonifacio army base have no roads, sewer or water lines.

The price Metro Pacific bid shocked Manila when it led 19 companies in winning the project. With a one-third stake, Metro Pacific is the biggest owner in the venture, called Bonifacio Land Corp.

What they got for their $1.5 billion was 55 percent of Fort Bonifacio Development Corp., a joint venture with the Philippine government, which owns the land.

"Metro Pacific belongs to the high-risk, high-return range right now," said Rammy Herbosa of Mark Securities Inc. "It's a five-to-10-year play. Fort Bonifacio is a big area."

By the end of 1994, Metro Pacific had 3.5 billion pesos in debt. After borrowing its share of a down payment of half the $1.5 billion, the debt more than doubled.

Ayala Land Inc., the Philippines' biggest developer, has a much lower debt load. Ayala developed Makati from marshland in the 1950s.

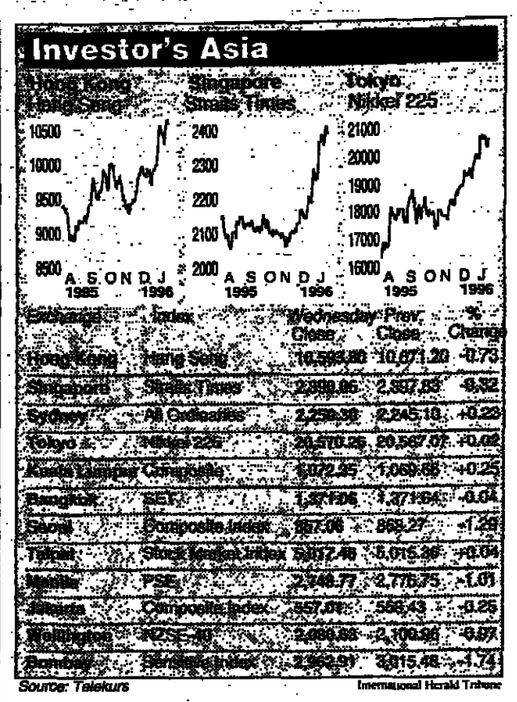
Ayala also bid for Fort Bonifacio. It is a conservative company — so much more so, some say, that it may be missing a real-estate boom.

To shoulder all the new debt it took on, Metro Pacific has bulked up its balance sheet by selling its drug-distribution unit and a meat company. In October, it sold 2 billion pesos worth of stock.

Metro will need the money. Sometime over the next three years, Metro Pacific and its partners will have to come up with the other half of the purchase price.

Some of it will come from a 4 billion peso, five-year note that is convertible into Bonifacio Land Corp. stock. The group should find out on Thursday how the paper will be rated, which will determine what interest rate it will have to pay. Half of the money will be used to start building roads and sewers. The other half will pay for the land.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,593.86	10,671.20	-0.73
Singapore	Straits Times	2,399.85	2,387.85	+0.52
Sydney	All Ordinaries	2,250.30	2,245.10	+0.23
Tokyo	Nikkei 225	20,570.25	20,567.07	+0.02
Kuala Lumpur	Composite	1,072.35	1,069.68	+0.25
Bangkok	SET	1,371.06	1,371.64	-0.04
Seoul	Composite Index	867.06	868.27	-1.29
Taipei	Stock Exchange Index	5,857.48	5,855.36	+0.04
Manila	PSE	2,748.77	2,776.75	-1.01
Jakarta	Composite Index	567.01	566.43	+0.26
Wellington	NZSE-40	2,086.86	2,100.96	-0.67
Bombay	Sensex Index	2,962.99	3,015.46	-1.74

Source: Telekurs — International Herald Tribune

Very briefly:

• **Advanced Semiconductor Engineering Inc.**'s pretax profit soared 125 percent in 1995, to 2.29 billion Taiwan dollars ($83.5 million), amid an increase in Taiwan semiconductor production. Earlier this month the company said sales nearly doubled to 9.55 billion dollars in 1995.

• **Taiwan** plans to exclude investments by foreign individuals from its 15 percent ceiling on stock purchases by overseas financial institutions on the Taiwan Stock Exchange, in effect, increasing the number of shares foreigners would be allowed to buy in the country.

• **Taiwan**'s economic reliance on trade with China is growing, with the mainland market representing almost 2 percent of the island's 6.52 percent annual economic growth, the Council for Economic Planning and Development said.

• **China**'s income tax revenue soared 80 percent in 1995, to 13.1 billion yuan ($1.5 billion), exceeding its target by more than 30 percent. Personal income tax accounted for 2.4 percent of China's overall fiscal revenue last year, compared with 1.6 percent a year earlier.

• **China Air Lines Ltd.** of Taiwan said its profit rose more than sixfold last year, to 2 billion Taiwan dollars, as business improved despite the crash of its Airbus A-300-600R jet in Nagoya, Japan.

• **Unilever Group** plans to form an industrial-detergent venture in China with **Weiss Cleaning Supplies (Zhongshan) Ltd.**, a unit of the Hong Kong-based Weiss group of companies.

• **Enron Corp.** said it hoped to resume work within three months on the $2.8 billion Indian power project that the western state of Maharashtra halted last year over a cost dispute.

• **Daihatsu Motor Co.** of Japan forecast its car sales would rise 11.7 percent from a year earlier, to 546,000 vehicles in 1996.

• **Alan Bond**, the Australian financier, will have to stand trial for allegedly conspiring and defrauding shareholders of **Bell Resources Ltd.** of 1 billion Australian dollars ($745 million).

Bloomberg, Reuters, AFP, AP

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GO: 20,66 FOD*: 9,53
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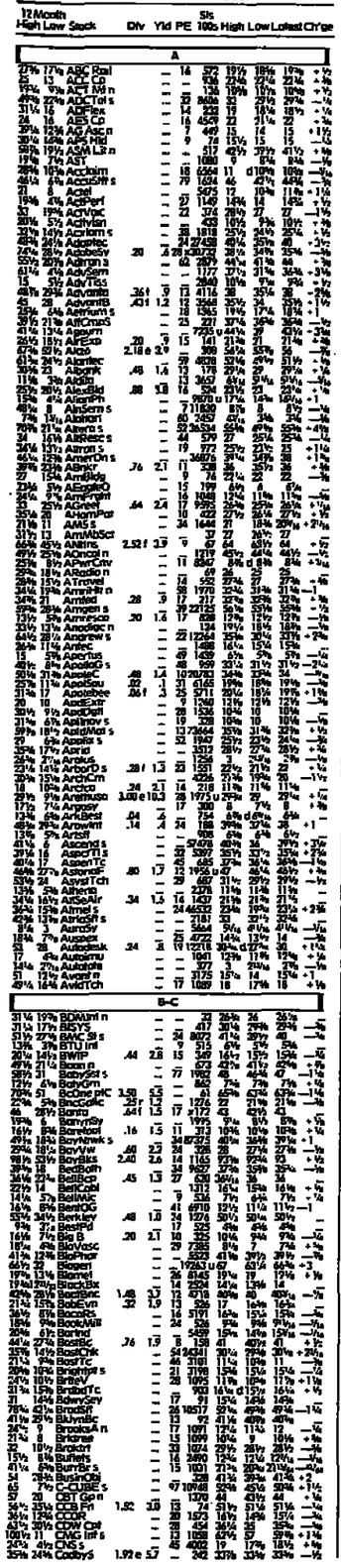
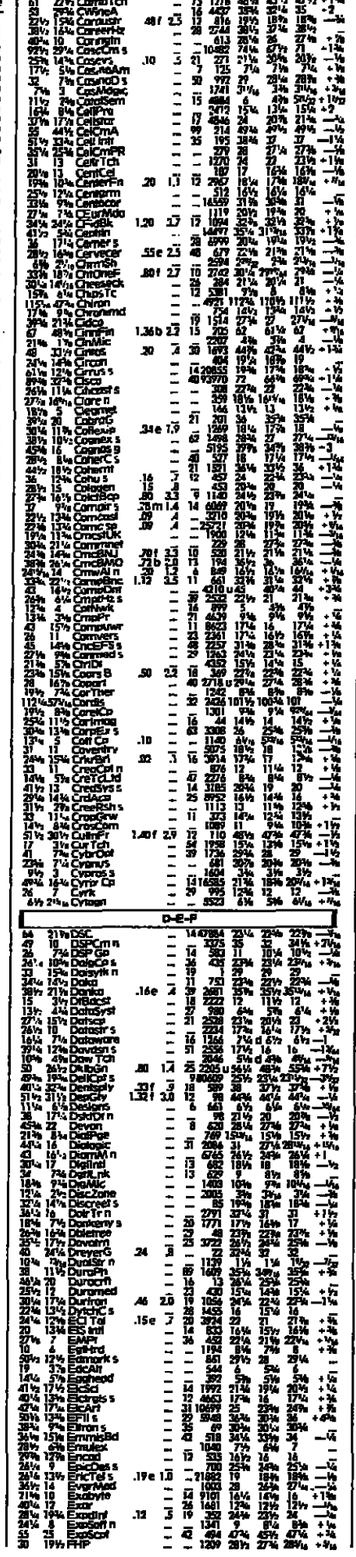
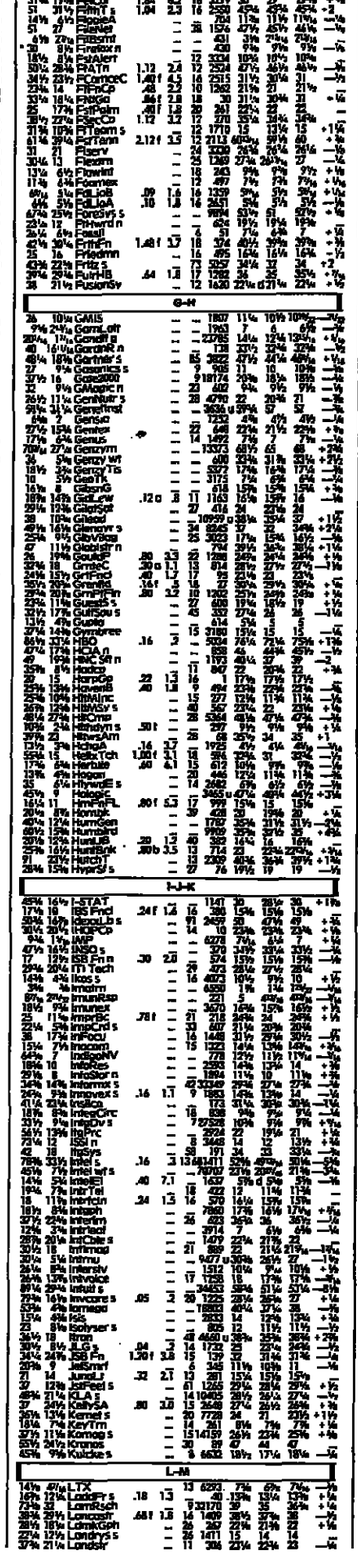
NASDAQ

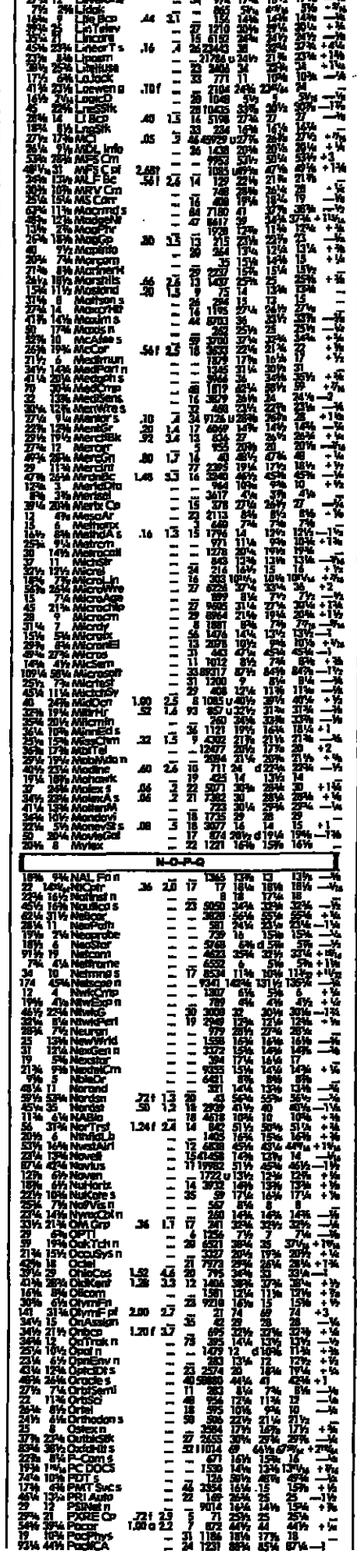
Wednesday's 4 p.m.

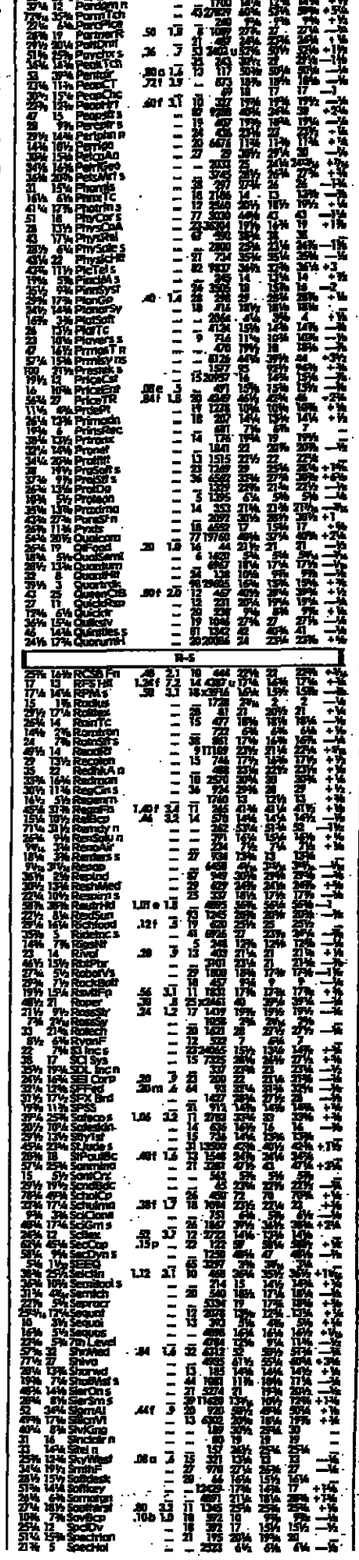
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

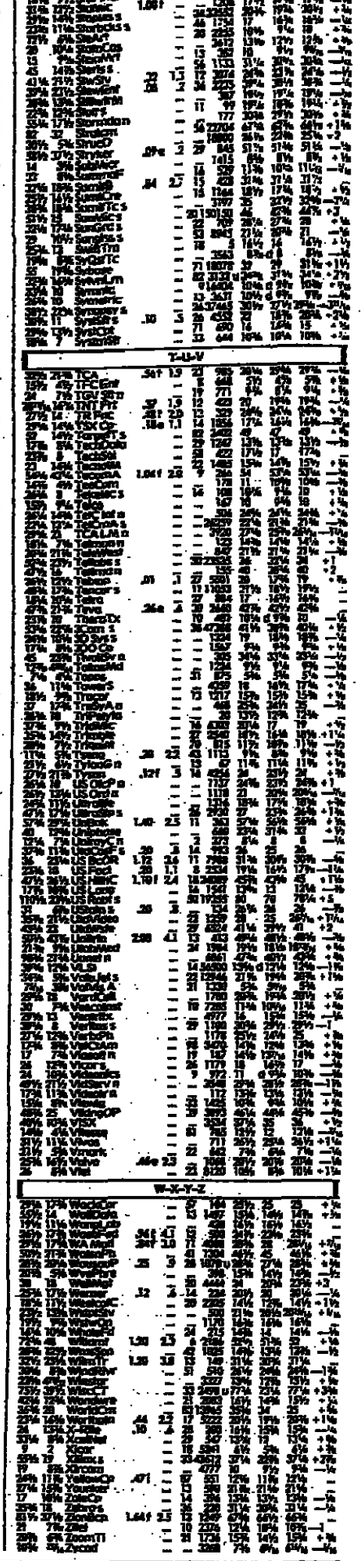












NYSE

Wednesday's 4 p.m. Close

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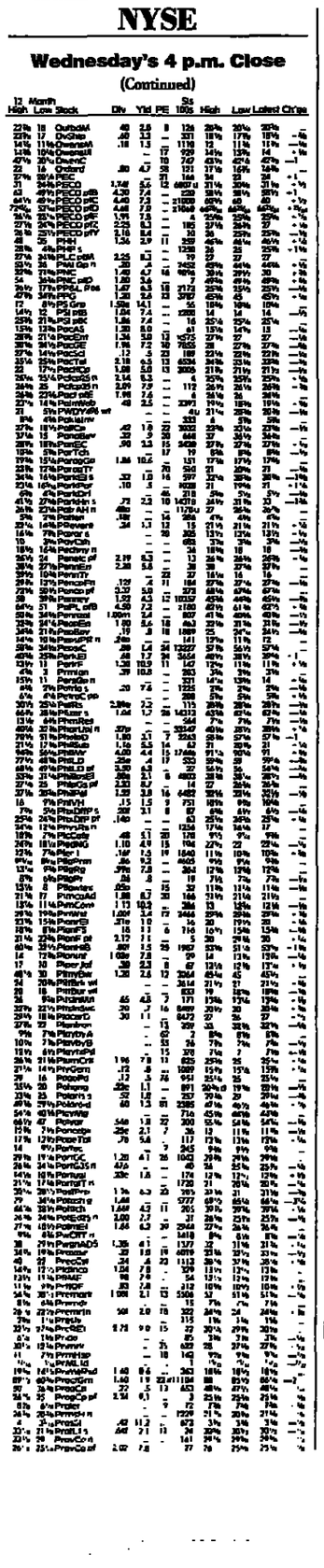

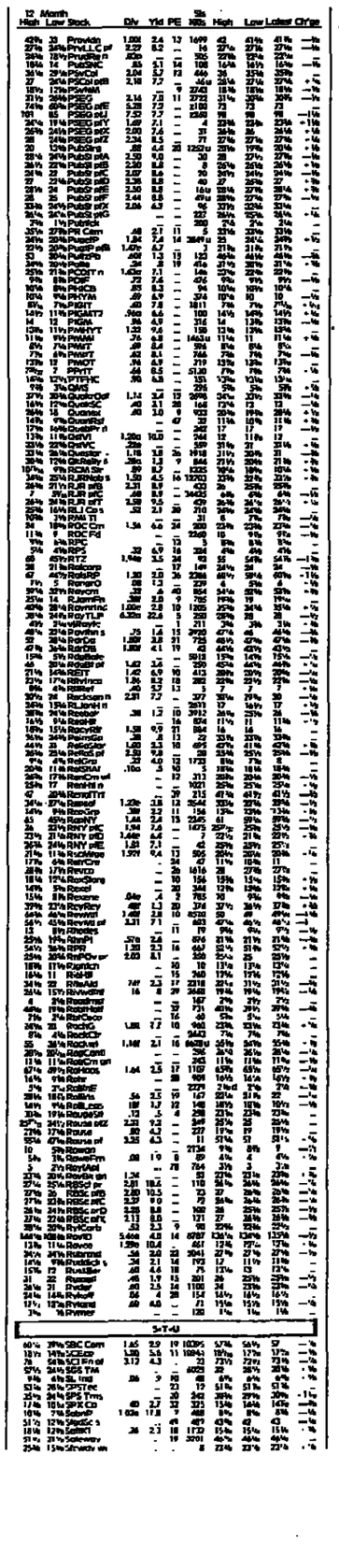

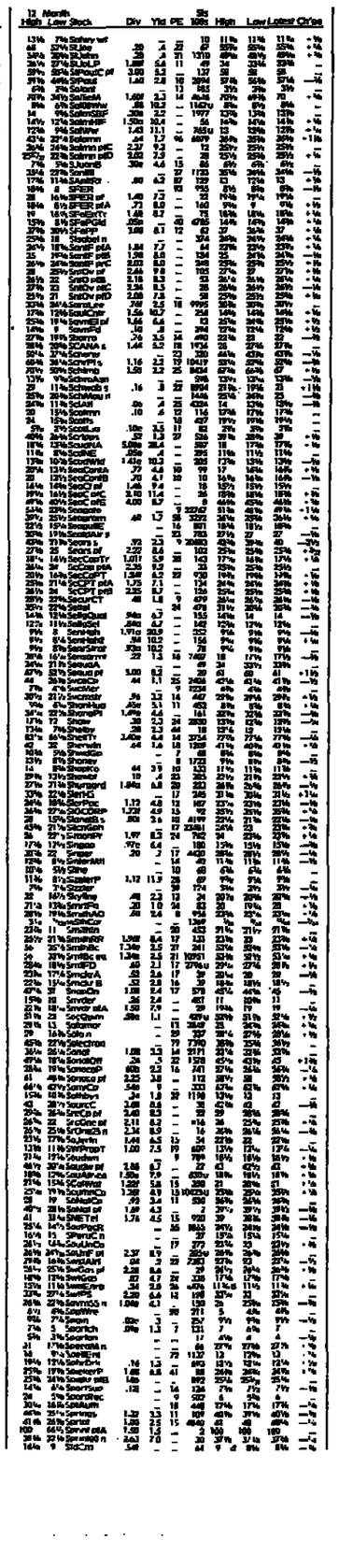

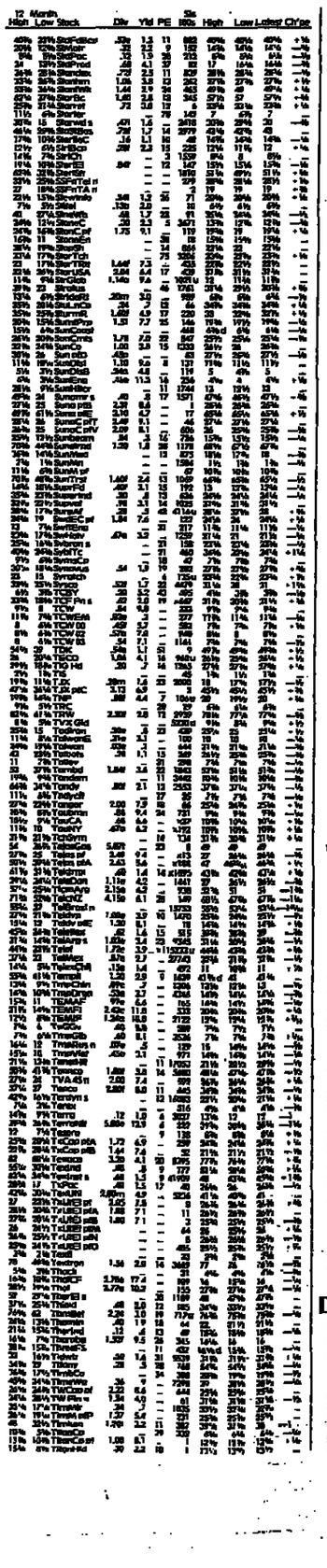

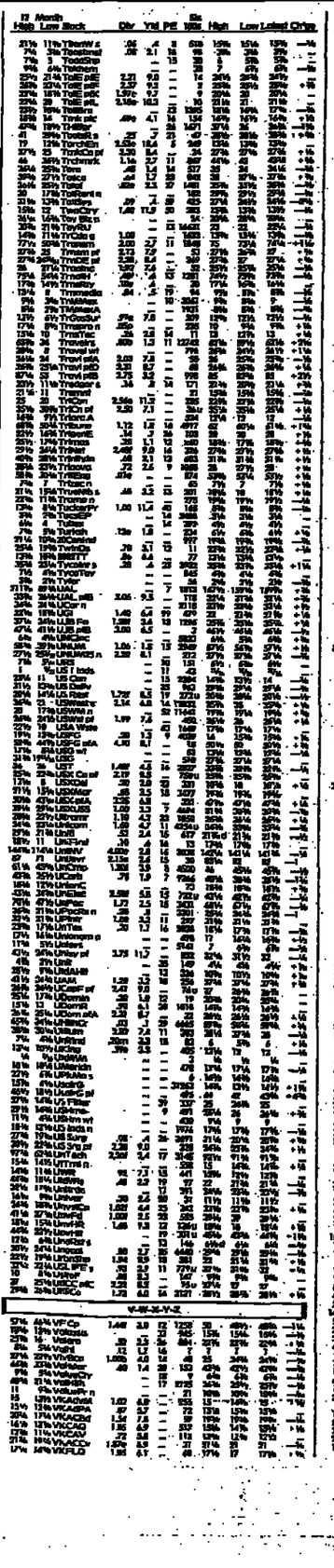

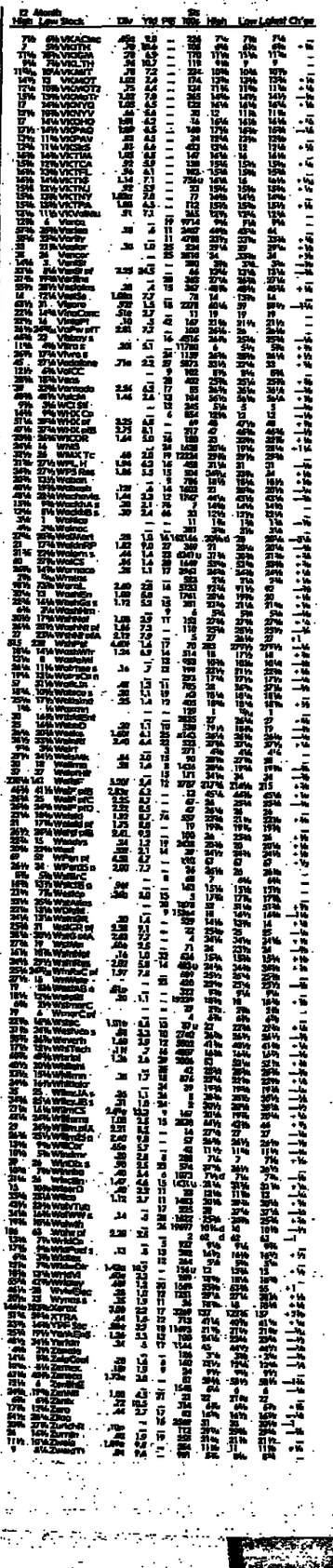

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INTERNATIONAL FUNDS

January 17, 1996

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TO OUR READERS IN BERLIN

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WORLD ROUNDUP

EU Warns UEFA

SOCCER The European Commission threatened Wednesday to take the European soccer federation to court unless it scraps its transfer system and limits on foreign players. It also warned that UEFA's competitions would be ruled illegal when challenged in any court if UEFA ignores a ruling by the European Union's highest court. UEFA has said it will disregard the ruling that effectively outlawed the transfer and foreigner quota system.

Italy's lower house of Parliament froze plans to allow Italian clubs to field teams composed entirely of foreign players in domestic games as long as they were EU citizens. *(AP, Reuters)*

• UEFA said it had not been officially informed of a decision by top English clubs to boycott this year's Intertoto Cup, but in any case no club was forced to take part in the competition. *(Reuters)*

• Aimé Jacquet, the French national coach, did not pick Eric Cantona and David Ginola for next week's friendly with Portugal. The omission casts doubt on whether either will play in June's European Championship finals. *(Reuters)*

NFL Rival Planned

FOOTBALL All Star Football, a projected professional league with teams in 16 cities in the United States and Mexico, plans to play every Sunday afternoon in direct competition with the National Football League. It also plans to have its games nationally syndicated for television. *(NYT)*

Camby Not Drug Tested

BASKETBALL Marcus Camby, the University of Massachusetts star who collapsed Sunday, was not tested for drugs by doctors, who also ruled out a seizure or head injury.

"The symptoms were not that of an overdose," said an emergency medical technician who treated Camby at the scene. "His symptoms were more like a postseizure. He appeared conscious; he just couldn't move his eyes or talk."

"We're still feeling unsatisfied, unfulfilled, without an answer that's medically honest," said Dr. Daniel Clapp, who is the team's physician. *(AP)*

Militant Christian

BASKETBALL For the second time in a week, a game involving National Christian University was abandoned before it ended. National Christian was trailing, 65-48, at Angelo State when one of its players was fouled. "It escalated in a matter of seconds," said Coach J. Ceasar Cervantes. "From the time the foul was called, it was mass confusion. Everybody's grabbing and pushing."

Last week in Abilene, officials stopped play and declared Hardin-Simmons the winner after a National Christian player grabbed a chair and waved it menacingly at a referee. *(AP)*

• Four players have been suspended at Central Michigan after a locker-room fight that left Mike Walker with a broken jaw. Leonard Drake, the team's coach, said two of those suspended, Walker and Ryan Holmes, who hit him, would be off the team for the season. The fight occurred after the Chippewas' 81-76 loss to Eastern Michigan. *(AP)*

A Master of Sports Can Now Play None

By Ian Thomsen
International Herald Tribune

LONDON — At one time he was an international soccer player as well as a grand master in chess. Simen Agdestein is only 28 now. He is retired from soccer because he cannot run. He can't sit and concentrate either, not the way he used to. Pains thunder in his arms, arbitrarily, and his doctors in Norway cannot explain them — don't even know what to call them.

He is living in Oslo with his girlfriend, who is three months pregnant with their first child. He rents out two other two apartments bought at the height of his yin/yang careers. The weekly salary comes from a chess column he writes daily for the Norwegian newspaper V.G. He teaches English at an upper-secondary school for something like five hours per week.

At one time he was hovering among the top 25 chess players in the world, and at the same time he was trying to score goals against Italy.

The other day he had to stop reading the newspaper. He was beginning to hyperventilate.

"I have been quite sick for a while, for one and a half years," he said over the phone. "I haven't been playing much chess lately. I used to be able to fight and play good at the end of games after sitting for four or five hours. I was able to concentrate very well."

He was taught how to move the pieces when he was 4 or 5 years old. When he was 7 or 8, he began to play soccer. At 11 he began to play chess seriously, as his family and all of his neighborhood friends were players. The laws of specialization that define our age, that both extend and narrow our vision — these laws weren't read to Agdestein until it was too late. By 18 he was on the Norwegian national youth team, and he was the youngest grand master in the world.

"In 1988 I suddenly came on the national team, and it was a big surprise for me," he said. "I thought I was an ordinary second-division player. I had almost quit playing football because I wanted to concentrate on chess."

By then he had been hearing so much advice from each of his worlds on how the one was limiting the other. Agdestein would leave his Oslo soccer club, Lyn, for two or three weeks in midseason in order to play in a chess tournaments in Israel or Ecuador or maybe the Philippines. There he would sleep 11 or 12 hours a night, play chess during the day and hardly see the sun. He would come home three or four kilograms (six to nine pounds) lighter. The chess he found to be much more tiring than the other game.

The club manager, Egil Olsen, could have refused Agdestein his leaves. Instead, Olsen encouraged the player in all endeavors. He publicly nominated Agdestein for the national team. "I thought he was joking," Agdestein said; but soon he was making the first of eight appearances for Norway internationally.

Athletes and thinkers habitually scorn each other, but Agdestein was an idol to both.

"There are lots of similarities between the two," Agdestein said. "In chess I always try to win, I always consider a draw as a loss. I lose a lot of games I shouldn't lose because I am always trying to win. At least I used to be, when I was strong physically. I would take risks; and I would also be in weak positions and fight and come back to win games I shouldn't win.

"The preparation for my football matches and chess games was very similar. I would work on my own. I would concentrate and sleep a lot. The evening before I would be thinking about the match the next day. I think that maybe some of the other players weren't thinking about the match until two hours before, but I had been thinking about it for a long time. I was in the same mode for both football and chess. It was a good balance."

On top of all that were piled the chess column he was writing seven days a week, and the seven-year course he was taking for his teacher's degree.

"Perhaps I did too much, and that is why I am having these problems now," he said. "Though in the evenings after training, I did nothing. The evenings were always free."

He believed that soccer was more difficult because of the constraints by teammates and managers — especially managers. Agdestein figures he had two good managers and two bad ones. He rates them based on the performances they were able to draw from him. Those who ran set plays — "systems" — found little good in him. "I would play so badly it was just incredible." Those managers would say he was limited by his chess, that he should choose one or the other. As if everyone suffers the same limitations.

"In Norway it is especially important to be considered individually," Agdestein said. "The whole Norwegian mentality is not based on discipline."

A ready perception of chess is that its best players are computers blinking with stored information. Agdestein's memory for chess is relatively poor. He played from a chair with the same passion and creativity that he longed to bring to soccer.

Garry Kasparov, the Russian world champion, approaches chess even more like a soccer striker than Agdestein, the real thing could, and he was able to beat Agdestein soundly; but Agdestein in his prime won once and drew twice in four matches with Kasparov's more passive rival, Anatoli Karpov.

"A striker can't really plan. He has to play on intuition," Agdestein said. "I think most of the good players in chess today are very creative."

WHEN OLSEN was given charge of the national team — which he maneuvered to the 1994 World Cup finals for the first time since 1938 — Agdestein was anticipating a return to the highest level. He had been harnessed by a restrictive manager and then by a torn knee ligament in 1991. He was just beginning to feel like himself when he suffered another ligament tear to the same knee in 1992.

"I loved it, just scoring goals," he said, and for a moment he would sound like a much older man. "Some of the goals I scored in training, I remember them just as well as the ones I scored in important matches. For me there is no difference."

To think that a businessman should be forced to give up his gardening on the weekends or his golf; or that none of us should ever go away sailing. The throbbing in the arms, and the evaporating concentration that he is trying to recover — these seem to be confirmation of his lost gift, phantom pains.

Without soccer, his ranking in chess has slumped to 89th in the world. He was strong at one because he was strong at the other. The gift is probably not so rare as it seems. There are probably a lot of micro-Rembrandts out there, hiding behind their "hobbies."

He said, "I think it is possible for me to come back, but I have to start training again. The physical aspect is the most important thing." He was talking about chess.

Eric Draper/The Associated Press

SCORE! — Eric Wynalda (11) getting a hug from Joe-Max Moore and a smile from Jeff Agoos after scoring for the U.S. soccer team in a 2-0 victory over El Salvador in the CONCACAF tournament in Anaheim, California.

The New Cowboys: Not Worth Hating

Washington Post Service

Vantage Point / **THOMAS BOSWELL**

Only a few more days. Then the worst will be behind us. The Cowboys will be Super Bowl champs again.

Jerry Jones and Barry Switzer will be vindicated. On worldwide TV, Deion Sanders can preen. Maybe Michael Irvin can do some more cussin'. With a chop block here or there, the 'Boys will be back in the saddle. Those of us who've spent decades thinking of the Cowboys as America's Mistake can unclench our jaws.

We'll still have to endure hours of self-congratulation. Then we'll suffer weeks of rehash about where this Dallas team ranks in the National Football League pantheon. Finally, we'll watch months of sneaker commercials in whichCowboys say things like, "It's my planet."

For the next few weeks, my hero will be Sam Young, a Redskins fan who lives in Dallas. Until a few days ago, he also held a job there. However, he got fired from his job at Minyards' grocery store for wearing a Green Bay Packers jersey. The store told employees they could wear Cowboys jerseys to work last Saturday on the eve of the NFC championship game. Young showed up in green and gold.

What makes Young special is that he sacrificed his job even though he's not a Packers fan. Rather, Young risked it all because, as he puts it, he "very much dislikes the Cowboys."

Sam has struck upon precisely the correct phraseology. I, too, "very much dislike the Cowboys." I definitely do not "hate" the Cowboys. As Sam knows, there's a reason for this.

These Cowboys aren't worth hating. Such strong feelings are reserved for someone or something that you regard as your equal. That is why, in the 19th century French military, duels were allowed only between people of equal rank; a captain could not challenge a marshal.

"The true test of (a) civilization," said Ralph Waldo Emerson, "is the kind of man the country turns out."

Back in the old days, it was fun to hate the Cowboys. Really hate 'em. You could convince yourself that Tom Landry was too cold, Roger Staubach too pious and Tony Dorsett too vain. But, deep down, you knew you'd be proud to have the Cowboys as friends. You could loathe them on Sunday because, under oath, you really respected them.

Now, the fun is gone. Because the respect is gone. The new Cowboys don't stand for anything, except the desire to find a store that sells an even bigger diamond-encrusted wristwatch.

That's primarily because Jones is the owner. The tone he has established overshadows the franchise, obscuring the fine qualities in countless Cowboys, from Emmitt Smith and Troy Aikman to Nate Newton and Jay Novacek.

One day Jones circumvents the spirit of the league's salary-cap rules by trying to buy the Super Bowl with his $35 million acquisition of Sanders. The next, he runs a reverse around the league's biggest sponsors. Then, when the NFL tries to defend its long-standing structure, Jones sues the league for $750 million.

Jones wants you to think that he's just a charming buccaneer, doing what any other good ol' boy would do if he had the money and the chance. Don't buy it. This is a wrong guy.

Jones's touch is everywhere. What Jones has done to Switzer is, in its way, as cruel as anything that George Steinbrenner ever did to Billy Martin. When Jones fired Jimmy Johnson two years ago, he wanted to prove that "500 men" could coach the Cowboys to a title. So, he hired Switzer. Is that sick or what? With time, sympathy has gradually surrounded Switzer. So what if he has little clue what to do on fourth and a foot. He never said that he did.

If it weren't for Jones, the Cowboys might be the ultimate team to hate. You could root for Deion to get crunched into a Neon Sandwich on one of those reverses on which he looks scared to death that he'll actually get hit. You could live in hope that, in the fourth quarter, Switzer might set a record for brain-lock. Oh, you could hate 'em all because, deep down, you actually enjoyed Deion's dances and Irvin's work habits and even Switzer's big open grin. You could find enough to respect so that, after they won, you could grudgingly tip your hat.

Unfortunately, because of Jerry Jones, because — to his delight — Super Bowl XXX will be all about him, it won't be possible to hate the guys with the blue stars on their hats. We'll just "very much dislike them."

They're no longer worth our hate. And that's really a shame.

Gary Hershorn/Reuters

Dallas' showy owner, Jerry Jones.

Rodman Does It All, Even a 3-Pointer

The Associated Press

NBA ROUNDUP

The National Basketball Association's most outrageous player now belongs to the league's triple-double club.

Dennis Rodman had 10 points, 21 rebounds and 10 assists Tuesday night as the Chicago Bulls won their ninth straight game and improved to 32-3 with a 116-104 victory over the Philadelphia 76ers.

Rodman even hit a 3-pointer, his first of the season, as Chicago won its 26th successive home game.

Rodman's 3-pointer came at the end of the first half when he took a pass from Scottie Pippen, dribbled backward several feet and fired away. It gave Chicago a 69-47 lead at the break and sent the crowd into a frenzy. Rodman had 13 rebounds in the first half — one more than Philadelphia's team total.

"Dennis Rodman just kicked our butts on the glass all night," said the 76ers' coach, John Lucas. "The guy just has great desire."

SuperSonics 99, Cavaliers 90 Seattle improved its home record to 15-1 and won its third successive game and 11th in the last 13 games. Shawn Kemp led the way with 31 points.

Kemp made 12 of 17 shots from the floor and 7 of 11 from the free-throw line. He had 10 points in the fourth quarter.

Cleveland led, 55-45, before the Sonics outscored the Cavs, 20-6, in the next 5:21 for a 65-61 lead.

Spurs 121, Celtics 97 The Spurs beat Boston for the fifth straight time.

"It was a tough night at the Alamo," the Celtics' coach, M.L. Carr, said.

Trail Blazers 87, Nuggets 69 The Trail Blazers produced their best defensive effort of the season and reached .500 for the first time in nearly a month.

Clifford Robinson scored 20 of his 24 points in the second half as Portland finished a sweep of back-to-back games against the Nuggets.

Denver's 69 points were the fewest scored against Portland this season. The Nuggets, led by Jalen Rose with 16 points, eclipsed their previous season-low of 79 points against Phoenix a month ago.

Pacers 110, Raptors 102 Reggie Miller scored 27 points and ended the Raptors' fourth-period rally by hitting consecutive 3-pointers.

Rik Smits had 29 points, Antonio Davis 18 and Eddie Johnson 14 for Indiana, which won its fourth in a row.

The 'Other' Lemieux Steals Mario's Thunder

The Associated Press

NHL ROUNDUP

This time, it was the National Hockey League's "other" Lemieux who dazzled the Pittsburgh Civic Center.

Taking a page out of Mario's book, Claude Lemieux scored three goals Tuesday night, leading the Colorado Avalanche to a 5-2 victory over the Pittsburgh Penguins.

"I think we all know this team can score goals," Claude Lemieux said. "The key was whether all the young players here could improve defensively. When we can shut down a big club like that, it shows what we can do."

Mario Lemieux, incidentally, scored his league-leading 40th goal and 100th point in the Penguins' third straight loss at home.

Before the current skid, the Penguins were 18-3-0 on their home ice and had not lost consecutive home games.

Claude Lemieux raised his goal total to 22 with his second hat trick of the season. Mario Lemieux's goal was his 534th, allowing him to pass Frank Mahovlich into 15th place on the career list.

Flames 5, Kings 5 Gary Roberts scored late in the third period as visiting Calgary tied Los Angeles and extended its longest undefeated streak of the season to five games.

The Kings, distracted by trade rumors involving Wayne Gretzky, have won just one of their last six games. Gretzky, who is pressing management to acquire a top scorer and a top defenseman, had two assists to boost his season total to 54.

Bruins 4, Devils 2 In East Rutherford, New Jersey, Adam Oates scored twice and Bill Ranford made 34 saves in his first start for Boston since his acquisition from Edmonton.

The victory was the Bruins' second in four days over the Devils, and it allowed the team to head into the All-Star break right in the playoff picture.

Whalers 3, Canucks 0 In Hartford, Connecticut, Sean Burke had 25 saves as the Whalers beat Vancouver and snapped goaltender Corey Hirsch's unbeaten streak at six.

Capitals 1, Jets 1 Winnipeg's goaltender, Nikolai Khabibulin, returned from a six-week stay on the injured list to stop 37 shots as the visiting Jets and Washington played to a tie.

Panthers 4, Sharks 1 Scott Mellanby scored his team-high 23rd goal as Florida won at home against San Jose.

Oilers 5, Blues 1 Curtis Joseph returned to St. Louis and faced 26 mostly harmless shots in Edmonton's victory.

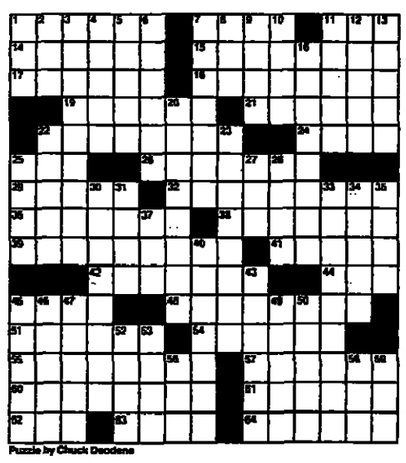
CROSSWORD

ACROSS

1 Bootlegging or extortion, e.g.
7 Enamored (of)
11 Gullet
14 Tropical lizard
15 Surmounted
17 Actress d'Abo
18 Like desert water, usually
19 Missile's heading
21 Subject of many an ode
22 Develops slowly, as an idea
24 —— mecum (handbook)
25 Insurgent, briefly
26 Eyewear for Col. Klink
29 Not a science, but ——
32 Trolley
36 Involving dispute
38 Smug
39 Nobel-winning poet Quasimodo
41 Tooth, in Torino
42 Drink recipe words
44 "—— the season ."
45 The "first martyr"
48 Retired
51 Erratic driver
54 Bonsai gardener
55 Medicinal herb
57 In a reverie
60 1994 Olympic rink star
61 Covered with soft hair
62 Somme season
63 1972 pact
64 Posture

DOWN

1 Lip
2 Muslim official
3 Unexpected pitch
4 Sammy and Danny
5 Make into law
6 Gong
7 Landlord's sign
8 Eggs
9 Trawlers' gear
10 Radiator drainpipe
11 Craze
12 Moody
13 Doorstop, maybe
16 Sporty Chevy
20 Ear doctor's device
22 —— salami
23 Wizard
28 Hip-hop hits
27 Capt. of industry
28 Advance
30 Russian roulette need
31 Fed
33 Roman army commander
34 Those opposed
35 66 and others: Abbr
37 Adherent: Suffix
40 Widespread
43 One-ups
45 Attentive
46 "Western Star" poet
47 Tidal bore
49 Greenland native
50 Magnetic induction unit
52 Some Ivy Leaguers
53 Belize capital
56 Ripken Jr. or Sr
58 Pres. advisory grp.
59 "Well, I'll be!"



Puzzle by Chuck Deodene

© New York Times/Edited by Will Shorts.

Solution to Puzzle of Jan. 17

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SPORTS

Baseball Ponders Interleague Play

By Mark Maske
Washington Post Service

LOS ANGELES — Baseball's ruling executive council gave its unanimous approval to a plan to introduce interleague play during the 1997 season on the first day of the owners' winter meeting.

The proposal calls for each team to play 15 or 16 games per season against clubs from the opposite league. It could go to a vote of the full ownership body on Thursday but because interleague play would have to be approved by the Players' Association, a delay until the next quartely owners' meeting in March is likely .

The owners have given themselves until next January to determine in which league or leagues they will place the Arizona Diamondbacks and Tampa Bay Devil Rays. Placing one in each league would give baseball six divisions of five clubs apiece and would necessitate interleague play to enable each of the 15 teams in each league to play on the same day. However, the owners seem to be leaning toward putting both of the new teams in the American League and adding two expansion franchises to the National League around the turn of the century. That wouldn't eliminate the possibility of interleague play, but it would eliminate the necessity of it.

Teams would play interleague games against clubs in the opposite league's corresponding division — AL East teams would play NL East clubs, the AL Central would play the NL Central and the AL West would play the NL West.

Union sources said the players don't necessarily have any other problems with interleague play but would oppose the elimination of the designated hitter.

David Gray/Reuters

Edberg leaving the court Wednesday after loss to Jean-Philippe Fleurian.

Crowd Joins In as Edberg Bows Out

Special to the Herald Tribune

Australian Open Tennis / CHRISTOPHER CLAREY

MELBOURNE — It has been a year of record crowds at the expanded Flinders Park, and Wednesday was the day the crowd reached out to the players.

On court one in the afternoon, the fans extended the tournament's longest ovation to the defeated Stefan Edberg as he walked dejectedly toward the locker room for the final time in Melbourne. On center court after sunset, the fans kept up a staccato conversation between points as Andre Agassi scurried back into the picture at the Australian Open with a convincing 6-4, 6-2, 6-3 second-round victory over Vince Spadea.

"Do it for Brooke, Andre!"

"What's with the hat, Andre!"

"Nothing wrong with that knee, Andre!"

There was indeed little wrong with Agassi's right knee. Two days after he was nearly bounced from the tournament in the first round by an Argentine qualifier, Gaston Etlis, he returned to center court with a hat on his shaved head, no bandage on his leg and ample spring in his pigeon-toed step.

Agassi, the No. 2 seed and defending champion, banged his knee on Sunday when he stumbled coming down a staircase in his hotel room. The swelling left him vulnerable to drop shots and wide groundstrokes. The only things that gave him trouble Tuesday were his first serve and the crickets that kept jumping onto the court and throwing off his rhythm (snicker if you must, but Elton John once had to abandon a concert in this stadium after a cricket went down his throat in mid-warble).

Agassi survived the crickets and the 48-percent first-serve percentage, but Edberg did not survive his second-round match against one of the few men older than he in the draw, 153rd-ranked Jean-Philippe Fleurian of France, who turned 30 in September and had to save a match point in one of his qualifying matches.

Edberg turns 30 on Friday, and his 6-4, 2-6, 4-6, 6-2, 6-3 defeat certainly won't make for a festive mood. His final year on the circuit is off to a sputtering start.

"I might be older, but he was older than me today on the court," said Fleurian, an engaging Parisian who joined the crowd in applauding Edberg as he walked off the court. "He's a great champion and a real gentleman, so it was a little strange for me today. On the one hand, I was thinking 'poor guy, you can't beat him,' and on the other hand, I was thinking 'poor me, you can't lose.'"

Edberg has won more matches at the Australian Open than any player since the Open era began in 1968. He won the tournament in 1985 and 1987 when it was played on grass at Kooyong Tennis Club; he was a finalist in 1990, 1992 and 1993 after it moved to a hard-court surface at Flinders Park. But his serve no longer has much sting, his volleys are no longer free of the yips and his confidence is clearly suffering.

"I am still out there to win matches, but it has been tough because I have not really been hitting the ball well at all," said Edberg, who had 20 double faults in his two matches here. "I have just been fighting and fighting, but sometimes it's not enough to fight."

It certainly helped Patrick McEnroe, however. Trailing 6-0, 6-2 against the No. 14 seed, Andrei Medvedev of the Ukraine, in the second round, he proceeded to find his range and win the next three sets, 6-2, 6-3, 6-2. It was the latest success for McEnroe at this tournament, where he reached the semifinals in 1991 and the fourth round last year after upsetting Boris Becker in the first round.

"Obviously, I had a long way to go, but Andrei hasn't played that much lately and has been struggling a bit, so I knew if I could hang in there and make it a long match, it might work out for me," McEnroe said.

Wayne Ferreira of South Africa, the No. 9 seed, was overwhelmed by Karol Kucera of Slovakia, 6-1, 6-3, 6-0. But his countrywoman Katerina Studenikova never stood a chance against top-seeded Monica Seles, losing 6-1, 6-1.

The most contentious match of the day was between two close friends: the No. 8 seed, Jim Courier, and his infinitely more controversial fellow American, Jeff Tarango, the man who walked out of Wimbledon last year and accused umpire Bruno Rebeuh of corruption.

Courier won, 7-5, 6-7 (2-7), 6-4, 6-3, but not before Tarango had argued with the chair umpire, Wayne McKewen, over line calls and the fact that Courier had dropped his racket and sworn without being penalized.

"Am I allowed to throw my racket?" Tarango asked McKewen sarcastically.

"Jeff has always been a unique character," said Courier. "It's a shame he doesn't really get any credit or justice for the tennis he plays because it is overshadowed by what has happened, and that's too bad. But the clock is still ticking and hopefully he can do something good on the court and at least dull that."

SCOREBOARD

TENNIS

Australian Open

MEN'S SINGLES, SECOND ROUND

Karol Kucera, Slovakia, def. Wayne Ferreira (9), South Africa, 6-1, 6-3, 6-0; Nicklas Kulti, Sweden, def. Carlos Costa, Spain, 6-3, 6-2, 6-2; Guillaume Raoux, France, def. Ben Ellwood, Australia, 6-3, 6-4, 7-6 (7-5); Todd Woodbridge, Australia, def. Bohdan Ulihrach, Czech Republic, 6-3, 2-6, 6-2, 6-4; Michael Chang (5), U.S., def. Jakob Hlasek, Switzerland, 6-1, 6-3, 6-3.

Jim Courier (8), U.S., def. Jeff Tarango, U.S., 7-5, 6-7 (2-7), 6-4, 6-3; Steve Bryan, U.S., def. Sandon Stolle, Australia, 6-3, 7-6 (9-7), 6-1; Richard Krajicek (11), Netherlands, def. Frederik Fetterlein, Denmark, 6-2, 6-4, 6-4; Todd Martin (15), U.S., def. Richey Reneberg, U.S., 6-2, 7-5, 3-6, 7-6 (7-5); Jean-Philippe Fleurian, France, def. Stefan Edberg, Sweden, 6-4, 2-6, 4-6, 6-2, 6-3.

Jonas Bjorkman, Sweden, def. Tim Henman, Britain, 6-1, 6-3, 6-2; Marcos Ondruska, South Africa, def. Chuck Adams, U.S., 7-5, 7-6 (7-3), 3-6, 6-3; Patrick McEnroe, U.S., def. Andrei Medvedev (14), Ukraine, 0-6, 2-6, 6-2, 6-3, 6-2; Thomas Muster (3), Austria, def. Javier Frana, Argentina, 6-4, 6-4, 1-6, 7-6 (7-4); Andre Agassi (2), U.S., def. Vincent Spadea, U.S., 6-4, 6-2, 6-3.

MEN'S DOUBLES, FIRST ROUND

Trevor Kronemann, U.S., and David Macpherson, Australia, def. Shelby Cannon, U.S., and Francisco Montana, U.S., 6-3, 6-1; Sebastien Lareau, Canada, and Alex O'Brien, U.S., def. Ken Flach and Kelly Jones, U.S., 6-4, 6-3; Michael Tebbutt and Peter Tramacchi, Australia, def. Tom Nijssen, Netherlands, and Greg Van Emburgh, U.S., 6-4, 7-6 (7-5).

Patrick Galbraith, U.S., and Andrei Olhovskiy, Russia, def. Lars-Anders Wahlgren, Sweden, and Fernon Wibier, Netherlands, 7-5, 4-6, 8-6; Martin Sinner, Germany, and Joost Winnink, Netherlands, def. Tom Kempers and Stephen Noteboom, Netherlands, 6-7, 6-7 (1-7), 11-9; Neil Broad, Britain, and Piet Norval, South Africa, def. Libor Pimek, Belgium, and Byron Talbot, South Africa, 6-3, 6-2.

Leonardo Lavalle, Mexico, and Emilio Sanchez, Spain, def. Jose Antonio Conde and Alex Corretja, Spain, 6-3, 7-5; Luis Lobo, Argentina, and Javier Sanchez, Spain, def. Wayne Arthurs and Brent Larkham, Australia, 6-4, 6-4; Marc Goellner and David Prinosil, Germany, def. Andrew Kratzmann and Jamie Morgan, Australia, 6-4, 6-4.

Yevgeny Kafelnikov, Russia, and Wayne Ferreira, South Africa, def. David Adams, South Africa, and Patrik Kuhnen, Germany, 4-6, 6-4, 6-4; Mark Philippoussis and Patrick Rafter, Australia, def. Ellis Ferreira, South Africa, and Jan Siemerink, Netherlands, 7-6 (7-5), 6-7 (5-7), 6-3; John-Laffnie de Jager and Gary Muller, South Africa, def. Paul Kilderry, Australia, and Nuno Marques, Portugal, 6-2, 6-2.

Cyril Suk and Daniel Vacek, Czech Republic, def. Wayne Black, Zimbabwe, and David Wheaton, U.S., 6-2, 6-1; Neil Broad, Britain, and Piet Norval, South Africa, def. Libor Pimek, Belgium, and Byron Talbot, South Africa, 6-3, 6-2; Olivier Delaitre and Fabrice Santoro, France, def. Bill Behrens and Jack Waite, U.S., 7-6 (7-3), 6-1.

Rick Leach and Scott Melville, U.S., def. Richard Fromberg and Jon Ireland, Australia, 6-4, 6-3; Jacco Eltingh and Paul Haarhuis, Netherlands, def. Nicklas Kulti and Magnus Larsson, Sweden, 6-3, 7-5; Byron Black, Zimbabwe, and Grant Connell, Canada, def. Kent Kinnear and Dave Randall, U.S., 5-7, 6-1, 6-2.

WOMEN'S SINGLES, SECOND ROUND

Sandra Cacic, U.S., def. Siobhan Drake-Brockman, Australia, 6-2, 7-5; Laurence Courtois, Belgium, def. Joannette Kruger, S. Africa, 6-3, 7-6 (7-5); Tami Whitlinger Jones, U.S., def. Anna Smashnova, Israel, 5-7, 6-4, 6-2; Nicole Arendt, U.S., def. Silvia Farina, Italy, 3-6, 6-3, 8-6; Sabine Appelmans, Belgium, def. Irina Spirlea, Romania, 6-3, 6-3.

Iva Majoli (7), Croatia, def. Lori McNeil, U.S., 6-3, 6-2; Ai Sugiyama, Japan, def. Alexia Dechaume-Balleret, France, 6-2, 6-2; Gabriela Sabatini (6), Argentina, def. Karina Habsudova, Slovakia, 6-4, 6-3; Mary Joe Fernandez (9), U.S., def. Maria-Antonia Sanchez Lorenzo, Spain, 6-2, 6-0; Chanda Rubin (13), U.S., def. Tina Krizan, Slovenia, 6-7 (5-7), 6-2, 6-3; Naoko Sawamatsu (15), Japan, def. Linda Wild, U.S., 6-4, 6-3.

Julie Halard-Decugis, France, def. Francesca Lubiani, Italy, 6-2, 0-6, 6-2; Alexandra Fusai, France, def. Jolene Watanabe, U.S., 7-6 (7-5), 7-6 (7-5); Karin Kschwendt, Germany, def. Nana Miyagi, Japan, 2-6, 6-2, 6-1; Monica Seles (1), U.S., def. Katarina Studenikova, Slovakia, 6-1, 6-1; Arantxa Sanchez Vicario (2), Spain, def. Barbara Rittner, Germany, 6-3, 6-2.

WOMEN'S DOUBLES, FIRST ROUND

Nanne Dahlman, Finland, and Clare Wood, Britain, def. Rita Grande, Italy, and Andrea Temesvari, Hungary, 6-4, 6-2; Kristie Boogert, Netherlands, and Nicole Bradtke, Australia (14), def. Valda Lake, Britain, and Laxmi Poruri, U.S., 7-6 (7-2), 7-5; Amy Frazier, U.S., and Kimberly Po, U.S., def. Yone Kamio, Japan, and Florencia Labat, Argentina, 6-4, 7-6 (8-6).

Kerry-Anne Guse, Australia, and Patricia Hy-Boulais, Canada, def. Wilfred Probst and Christina Singer, Germany, 6-3, 6-4; Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands, def. Ruxandra Dragomir, Romania, and Joannette Kruger, South Africa, 6-2, 6-3; Annabel Ellwood and Nicole Pratt, Australia, def. Lee Ghirardi-Rubbi and Sarah Pitkowski, France, 4-6, 6-4, 8-6.

Brenda Schultz-McCarthy, Netherlands, and Rennae Stubbs, Australia (6), def. Elly Hakansl, U.S., and Danielle Scott, U.S., 3-6, 6-0, 6-1; Conchita Martinez, Spain, and Patricia Tarabini, Argentina (9), def. Laurence Courtois and Nancy Feber, Belgium, 7-6 (7-0), 6-4; Elena Makarova and Eugenia Maniokava, Russia, def. Jill Hetherington, Canada, and Kristine Radford, Australia (10), 6-3, 6-0.

Amanda Coetzer and Mariaan de Swardt, South Africa (13), def. Pam Shriver, U.S., and Elizabeth Smylie, Australia, 6-3, 2-6, 6-1; Naoho Saeki and Yuka Yoshida, Japan, def. Martina Hingis, Switzerland, and Iva Majoli, Croatia (12), 5-7, 6-3, 6-3; Lenka Nemeckova, Czech Republic, and Denisa Szabova, Slovakia, def. Magdalena Grzybowska and Aleksandra Olsza, Poland, 2-6, 7-5, 6-4.

Gigi Fernandez, U.S., and Natasha Zvereva (1), Belarus, def. Katerina Maleeva, Bulgaria, and Shaun Stafford, U.S., 6-3, 6-3; Kyoko Nagatsuka and Ai Sugiyama, Japan, def. Asa Carlsson, Sweden, and Catalina Cristea, Romania, 0-6, 6-2, 6-1; Erika de Lone, U.S., and Audra Keller, U.S., def. Kristin Godridge and Kirrily Sharpe, Australia, 7-5, 7-6 (7-4); Meredith McGrath, U.S., and Larisa Neiland (2), Latvia, def. Sandra Cecchini and Laura Garrone, Italy, 6-3, 6-4.

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
Orlando	27	9	.750	—
New York	22	13	.629	4½
Washington	18	18	.500	9
Miami	16	19	.457	10½
New Jersey	14	21	.400	12½
Boston	14	22	.389	13
Philadelphia	7	27	.206	19
CENTRAL DIVISION				
Chicago	32	3	.914	—
Indiana	22	13	.629	10
Cleveland	19	16	.543	13
Detroit	18	16	.529	13½
Atlanta	18	17	.514	14
Charlotte	17	18	.486	15
Milwaukee	13	22	.371	19
Toronto	10	27	.270	23
WESTERN CONFERENCE				
MIDWEST DIVISION				
San Antonio	25	9	.735	—
Houston	26	11	.703	½
Utah	22	13	.629	3½
Denver	16	21	.432	10½
Dallas	11	24	.314	14½
Minnesota	9	26	.257	16½
Vancouver	7	29	.194	19
PACIFIC DIVISION				
Seattle	26	10	.722	—
Sacramento	20	13	.606	4½
L.A. Lakers	20	17	.540	6½
Portland	18	18	.500	8
Golden State	16	20	.444	10
Phoenix	14	19	.424	10½
L.A. Clippers	15	21	.416	11

TUESDAY'S RESULTS

Indiana	24	33	28	25—110
Toronto	29	22	19	32—102

I: Smits 14-22 1-1 29; R.Miller 10-16 2-5 27. *T: Massenburg 11-18 2-4 24; Staudamire 12-21 3-4 29.* Rebounds—Indiana 59 (A.Davis, D.Davis 9), Toronto 55 (Massenburg 14). Assists—Indiana 29 (Workman 10), Toronto 21 (Staudamire 10).

Cleveland	28	19	18	25— 90
Seattle	17	24	32	26— 99

C: Brandon 9-22 5-7 24; Phills 6-10 8-10 20; Majerle 8-13 3-9 21. S: Kemp 12-17 7-11 31; Rahaims 7-16 4-4 21; Payton 7-21 7-9 21. Rebounds—Cleveland 52 (Cage 14), Seattle 53 (Kemp 16). Assists—Cleveland 12 (Ferry 4), Seattle 18 (Payton 8).

Philadelphia	22	25	32	25—104
Chicago	25	34	29	18—116

P: Wright 8-11 3-3 19; Stackhouse 9-17 5-7 24. C: Pippen 6-11 1-1 14; Jordan 13-22 4-6 32. Rebounds—Philadelphia 46 (Wright 9), Chicago 61 (Rodman 21). Assists—Philadelphia 19 (Ruffin, Sutton 4), Chicago 33 (Rodman 10).

Boston	20	20	27	30— 97
San Antonio	26	26	31	38—121

B: Montross 9-12 0-0 18; Barros 9-14 0-0 22. S.A.: Elliott 8-18 4-5 22; Robinson 8-17 11-12 27. Rebounds—Boston 36 (Montross 8), San Antonio 62 (Person 14). Assists—Boston 27 (Fox 10), San Antonio 29 (Johnson 18).

Denver	22	13	29	14— 69
Portland	19	18	24	26— 87

D: McDyess 5-9 2-3 12; Rose 7-9 2-5 16. P: C.Robinson 7-13 5-6 24; Strickland 7-14 3-5 17. Rebounds—Denver 42 (Mutombo 10), Portland 65 (Sabonis 15). Assists—Denver 14 (Abdul-Rauf 4), Portland 18 (Strickland 8).

Top 25 College Results

How the top 25 teams in The Associated Press' college basketball poll fared Tuesday: 2, Kentucky (14-1) beat LSU 129-97. Next vs. Texas Christian, Saturday 12; Syracuse (13-3) lost to West Virginia 90-78. Next vs. No. 5 Connecticut, Sunday 17; Purdue (14-2) beat Indiana 74-69. Next vs. Illinois, Saturday.

Major College Scores

TUESDAY'S RESULTS

Canisius 53, St. Bonaventure 38
S. Utah 82, Colorado 80, OT
St. Joseph's 86, Penn 70
Tulane 86, New Orleans 77

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
N.Y. Rangers	28	11	8	64	175	130
Florida	28	12	4	60	158	116
Philadelphia	24	12	9	57	158	114
Washington	20	18	5	45	120	110
Tampa Bay	18	16	7	43	125	146
New Jersey	19	22	4	42	116	115
N.Y. Islanders	12	22	8	32	122	155
NORTHEAST DIVISION						
Pittsburgh	27	14	3	57	217	149
Montreal	20	18	6	46	136	140
Boston	19	17	6	44	149	152
Buffalo	18	22	3	39	129	144
Hartford	16	23	5	37	112	135
Ottawa	8	33	1	17	97	170
WESTERN CONFERENCE						
CENTRAL DIVISION						
Detroit	31	9	3	65	161	93
Chicago	22	14	9	53	154	127
Toronto	22	16	7	51	143	131
St. Louis	18	19	8	44	119	124
Winnipeg	19	22	4	42	160	166
Dallas	11	22	10	32	113	151
PACIFIC DIVISION						
Colorado	24	13	8	56	177	127
Vancouver	16	17	11	43	163	151
Los Angeles	16	19	11	43	158	155
Calgary	15	22	9	39	134	149
Edmonton	16	23	6	38	122	174
Anaheim	16	25	5	37	132	156
San Jose	10	31	4	24	137	205

TUESDAY'S RESULTS

Vancouver	0	0	0—0
Hartford	0	2	1—3

First Period—None. Second Period: H-Shanahan 20. (Martins, Brown). 2, H-Sanderson 17 (Chase, Janssens). Third Period: H-Brown 2 (Emerson, Nikolishin) (pp). Shots on goal: V- 9-8-8—25. H- 4-15-13—32. Goalies: V-Hirsch. H-Burke.

Boston	0	3	1—4
New Jersey	1	0	1—2

First Period: N.J.-MacLean 14 (S.Stevens, Lemieux). Second Period: B-Oates 13 (Elik, Bourque) (pp). 3, B-Oates 14 (Leach, Reid). 4, B-Leach 7. Third Period: B-Reid 16 (Leach, Donato). 6, New Jersey, Thomas 13 (Guerin, Sykora). Shots on goal: B- 10-12-7—29. N.J.- 15-10-11—36. Goalies: B-Ranford. N.J.-Brodeur.

Colorado	2	2	1—5
Pittsburgh	1	1	0—2

First Period: Colorado, C.Lemieux 19 (Selak, Forsberg) (pp). 2, Colorado, Keane 4. 3, P-Smolinski 17 (Francis) (sh). Second Period: Colorado, C.Lemieux 20 (Forsberg, Lefebvre) (sh). 5, Colorado, C.Lemieux 21 (Selak, Young). 6, P-M.Lemieux 40, (sh). Third Period: Colorado, Young 13 (C.Lemieux) (en). Shots on goal: Colorado 10-12-7—29. P- 10-12-14—36. Goalies: Colorado, Roy. P-Wregget.

Winnipeg	0	1	0—1
Washington	0	0	1—1

First Period—None. Second Period: W-Nemmimen 6 (Selanne, Modver) (pp). Third Period: W-Bondra 25 (Pivonka, Jones). Overtime—None. Shots on goal: W- 6-9-8-2—25. W- 17-11-8-2—38. Goalies: W-Khabibulin. W-Carey.

San Jose	0	0	1—1
Florida	1	2	1—4

First Period: F-Hull 14 (Skrudland, Laus). Second Period: F-Niedermayer 16 (Hartins, Svehla) (pp). 3, F-Mellanby 23 (Niedermayer). Third Period: F-Dvorak 11 (Lindsay, Hartins). 5, S.J.-Friesen 7 (Tancill, Donovich). Shots on goal: S.J.- 6-11-9—26. F- 16-12-10—38. Goalies: S.J.-Flaherty. F-Vanbiesbrouck.

Edmonton	4	1	0—5
St. Louis	1	0	0—1

First Period: S.L.-MacInnis 8 (Noonan, Hudson). 2, E-Czerkawski 6 (Smyth, Arnott). 3, E-Hauer 4 (Ciger, Weight) (pp). 4, E-Ciger 28 (Oliver, Weight). 5, S. E-Richardson 1 (Weight, Ciger). Second Period: E-McAmmond 4 (Buchberger, Dufresne). Third Period—None. Shots on goal: E-17-11-10—38. S.L.- 6-7-13—26. Goalies: E-Joseph. S.L.-Fuhr, Racine.

Calgary	1	2	2—5
Los Angeles	0	4	1—5

Second Period: C-Fleury 20 (Tikov) (sh). Second Period: C-Tikov 15 (Roberts, Fleury) (pp). 3, L.A.-Todd 12, 4, L.A.-Kurri 8 (Yachmenev, Gretzky) (pp). 5, L.A.-Druce 6 (Lang, Couts). 6, C-Fleury 21 (Roberts, Tikov). 7, L.A., Slaney 3 (Gretzky, Khristich) (pp). Third Period: L.A.-Lang 3 (Kurri) (sh). 9, C-Fleury 22 (Zalapski, Tikov). 10, C-Roberts 5 (Tikov, Crisasco). Overtime—None. Shots on goal: C- 12-14-12-2—40. L.A.- 12-11-8-2—33. Goalies: C-Tobaracci. L.A.-Hrudey.

SOCCER

FRENCH FIRST DIVISION

Nice 1, Nantes 0

STANDINGS: Paris-SG 47, Lens 41, Metz 41, Auxerre 39, Monaco 36, Nantes 36, Bastia 35, Strasbourg 33, Guingamp 33, Rennes 32, Montpellier 31, Nice 31, Le Havre 27, Lyon 26, Saint-Etienne 25, Bordeaux 25, Cannes 23, Lille 20, Guesgnon 19, Martigues 18.

DUTCH FIRST DIVISION

PSV Eindhoven 4, NAC Breda 1

STANDINGS: Ajax Amsterdam 52, PSV Eindhoven 47, Wilem II Tilburg 32, Feyenoord Rotterdam 32, Heerenveen 32, Sparta Rotterdam 29, NAC Breda 26, Roda JC Kerkrade 26, Vitesse Arnhem 26, Twente Enschede 26, RKC Waalwijk 25, Groningen 25, Fortuna Sittard 18, De Graafschap Doetinchem 14, Volendam 14, Utrecht 14, NEC Nijmegen 14, Go Ahead Eagles Deventer 12.

SCOTTISH PREMIER DIVISION

Falkirk 1, Aberdeen 1
Motherwell 6, Kilmarnock 1
Partick 0, Hibernian 0

ENGLISH F.A. CUP

THIRD ROUND REPLAYS

Oxford 1, Millwall 0
Shrewsbury 2, Fulham 1
Sunderland 1, Manchester United 2
Blackburn 0, Ipswich 0
Port Vale 4, Crystal Palace 2

SPANISH CUP

FOURTH ROUND, SECOND LEG

Real Betis 1, Atletico Madrid 2
(Atletico win 3-2 on aggregate and qualify for the quarterfinals).

CONCACAF GOLD CUP

FIRST ROUND

Guatemala 3, St. Vincent 0
United States 2, El Salvador 0

AFRICAN NATIONS CUP

FIRST ROUND

Liberia 2, Gabon 1

OLYMPIC QUALIFYING

OCEANIA ZONE

Australia 4, Solomon Islands 0

RUGBY

RUGBY UNION INTERNATIONAL

Wales 31, Italy 26

Scorers: Wales — Tries: Justin Thomas, Iestyn Evans (2). Conversions: Arwel Thomas (2). Penalties: Arwel Thomas (4); Italy — Tries: Franco Properzi, Julian Gardner. Conversions: Diego Dominguez (2). Penalties: Dominguez (4).

CRICKET

FIRST TEST

NEW ZEALAND VS. ZIMBABWE, 6TH DAY

WEDNESDAY, IN HAMILTON

New Zealand 1st Innings: 230-8 dec.
Zimbabwe 1st Innings: 196
New Zealand 2d Innings: 222-5 dec.
Zimbabwe 2d Innings: 208-6
Result: First test drawn.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CHICAGO—Named Mike Heath manager of Birmingham, SL; Nick Capra manager of Bristol, Appalachian Leagues; Rance Mulliniks hitting coach at South Bend, ML; Chris Cron manager, Mike Barnett hitting coach, and Sean Snedeker pitching coach of Hickory, SAL; Steve Noworyta director of player development; Judi Miller assistant to the director of player development; and Sal Artiaga coordinator of minor league operations and cultural development.

KANSAS CITY—Agreed to terms with David Howard, shortstop, on 2-year contract.

TEXAS—Agreed to terms with Dean Palmer, 3d baseman, on 1-year contract, and Kevin Elster, infielder, and Barry Lyons, catcher, on minor-league contracts.

TORONTO—Agreed to terms with Ed Sprague, 3d baseman, on 3-year contract. Agreed to terms with Juan Samuel, infielder, on minor-league contract.

NATIONAL LEAGUE

CHICAGO—Signed Bob Patterson, pitcher, to 1-year contract. Designated Scott Mateo, pitcher, for assignment.

LOS ANGELES—Signed Scott Radinsky, pitcher, to minor-league contract and invited him to spring training.

NEW YORK—Agreed to terms with Charlie Greene, catcher, and Brian Edmondson, pitcher, on 1-year contracts.

PHILADELPHIA—Agreed to terms with Tony Longmire, outfielder, on 1-year contract.

PITTSBURGH—Agreed to terms with Carlos Garcia, 2d baseman, on 1-year contract.

SAN FRANCISCO—Agreed to terms with Osvaldo Fernandez, pitcher, on 3-year contract. Sent Chris Wimmer, infielder, to St. Louis to complete Dec. 14 trade that sent Allen Watson, Rich Lucia and Doug Creek, pitchers, to San Francisco for Royce Clayton, shortstop.

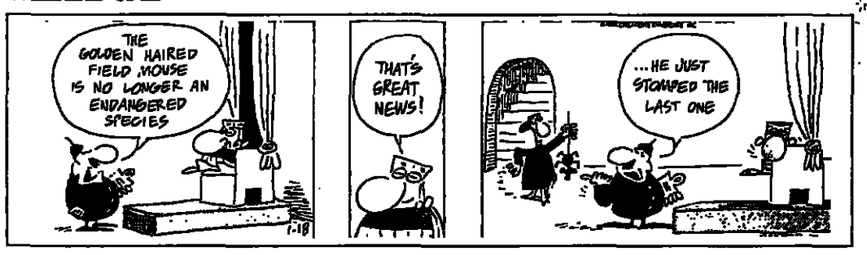
BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

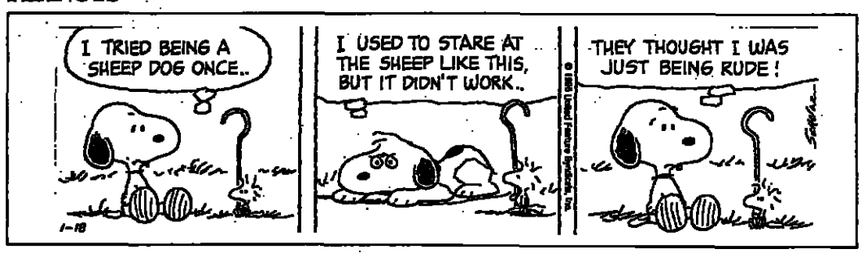
ATLANTA—Signed Ronnie Grandison, forward, to 10-day contract.

DOONESBURY FLASHBACK

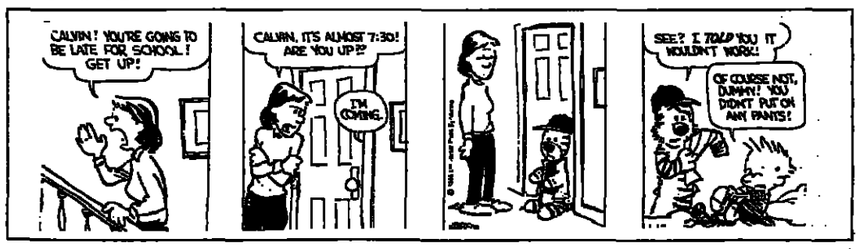
WIZARD of ID



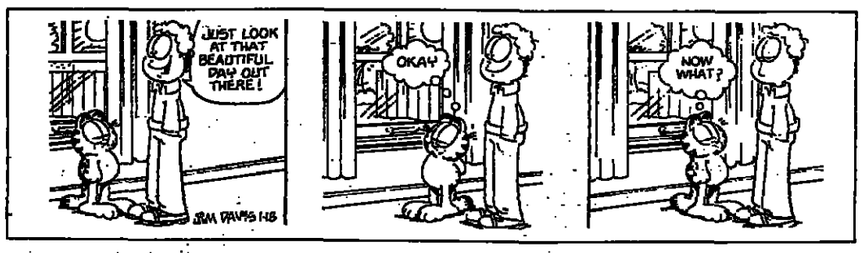
PEANUTS



CALVIN AND HOBBES

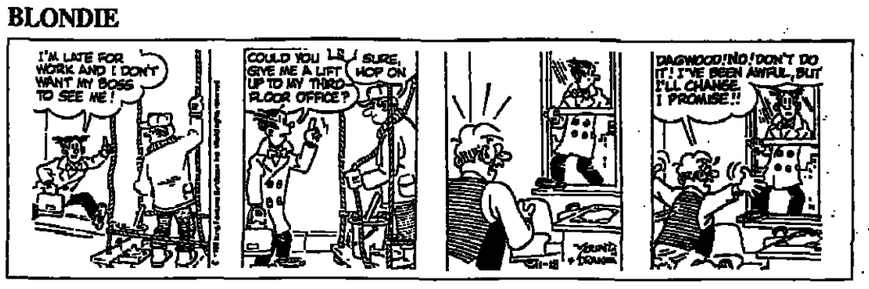


GARFIELD



BEETLE BAILEY

BLONDIE



JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GIMCA

NAPAD

SESCUN

YINJET

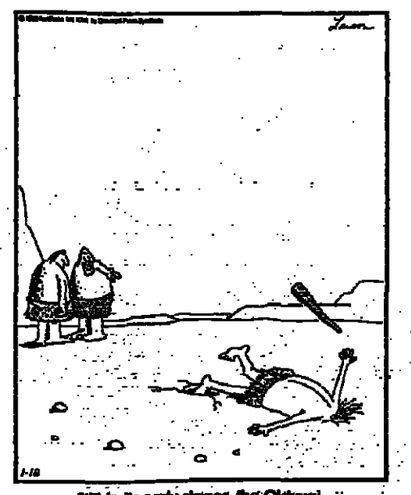
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here :

(Answers tomorrow)

Yesterday's Jumbles: DELVE PIPER OVERDO EMBALM
Answer: What the novice fisherman ended up with — A REEL PROBLEM

THE FAR SIDE



Still in its early stages, the Olduvai Pothole claims its first victim.

هكذا من الأصل

ART BUCHWALD

Punching Politics

WASHINGTON — When President Clinton said he would like to punch columnist Bill Safire in the nose for calling Clinton's wife a "congenital liar," everyone in Washington stopped arguing about who had the highest snow bank in front of his house and instead discussed the fistic state of the White House.

Buchwald

Malcolm Mergenthaler, a presidential historian, said that the president's desire to sock a journalist came as no surprise.

□

He told me, "Every president save George Washington has wanted to punch a newspaperman in the nose. Some have even wanted to punch three or four, and we know of a few presidents who would have liked to punch a woman correspondent as well."

When the New York Herald Tribune slandered Jacqueline Kennedy, President Kennedy's first reaction was to punch the Trib's White House writer in the nose. But his secretary of state thought it might further the career of the scribe and get him a raise.

□

So instead of a punch, the president canceled his subscription to the paper. That, on the surface, looked like a perfect compromise, but the president always regretted not taking more physical action. Arthur Schlesinger said the president told him the next time somebody wrote something he didn't like, he would not take the coward's way out. A few months later the president hit Khrushchev in the nose with such force the Russian leader blinked.

The smart money in Washington is, if the president and Safire resorted to fisticuffs, Clinton could take Safire in two rounds. President Clinton has a much longer reach and is in better shape than the columnist, who is known to have an exercise bicycle in his house that he never uses.

Also, if Safire landed even a weak left to the president's jaw, the Secret Service by law would have to mow the columnist down.

□

The subject has been discussed in the White House for days. Rather than cause the president any grief, the kitchen cabinet has voted to have Hillary Clinton punch Safire in the nose instead. She could catch Safire off guard as he would be expecting the blow to come from the president.

The White House considers this an urgent matter because if something isn't done to sock Safire, no first lady will ever be safe from name-calling again.

New York Theater To Be Created From 2

The Associated Press

NEW YORK — A new theater, primarily for large-scale musicals, will be made out of two playhouses near Times Square, the Lyric and the Apollo.

The $22.5 million project is expected to be completed by December 1997. The theater is the latest in a series of projects that is transforming a seedy block near Times Square.

Will His Opinions Spoil Tim Robbins's Success?

By Paula Span
Washington Post Service

NEW YORK — There was muttering all across the playground of St. Joseph's Parochial School that day. Everyone agreed: The homework assigned by one of the nuns was patently unfair. What, exactly, was unfair about it has receded beyond the reach of Tim Robbins's memory; he can't quite recall, either, whether he was in the fifth grade or sixth. But he remembers what happened when the bell summoned the kids back inside.

"Being the jerk, I get up in class and complain, thinking the whole class is going to stand up and say Yessss!" he recounts ruefully. "I remember the nun saying" — his voice turns chill — "'Now, does anyone else feel this way?' And there's this deathly silence." That afternoon, young Tim trudged home with more schoolwork than any of his equally outraged, yet far more circumspect, classmates.

Wouldn't you think the guy'd learned his lesson? But no. He persists in staking out positions that are controversial and lonely, especially within the realm of show business.

He heard plenty of you'll-never-work-in-this-town-again murmurs back when he and Susan Sarandon — his lover, fellow actor, sidekick and the mother of his children — protested the Gulf War. The first film he directed, "Bob Roberts," was an absurdist satire that skewered electoral politics and all its participants. Then, at the 1993 Academy Awards ceremony, every presenter was beribboned to signal concern for people with AIDS. Only Robbins and Sarandon, however, made a point of informing the international audience that Haitian refugees with HIV were being detained at the U.S. Naval Base at Guantanamo Bay, Cuba, an announcement that led the show's infuriated producer to declare them presenters non grata at future Oscarcasts. Among actor-filmmakers, Robbins might well have been voted Most Likely to Shoot a Movie About the Death Penalty.

The odd thing is, such indiscretions notwithstanding, the nuns at St. Joseph's were much more likely to exact retribution for outspokenness than Hollywood has been. Ask Robbins whether he's really paid some fearful price for his activism and he shrugs almost apologetically. "I don't think I have," he says. "I'm doing pretty damn well."

Cool Walle Bream for The Washington Post

Paying a heavy price for activism in Hollywood? Robbins says it hasn't happened.

And it's true: He won the best actor award at Cannes in 1992 for his performance as a slippery studio executive in Robert Altman's "The Player," starred with Morgan Freeman in the much-praised "Shawshank Redemption" last year, even got invited back to hand out Academy Awards, not that it mattered. As for that Movie About the Death Penalty — the powerful "Dead Man Walking," which Robbins wrote and directed — it's gotten remarkably landatory reviews. At this year's ceremony, he may not be just a presenter.

Perhaps, then, it really isn't so dangerous to be a movie star with opinions; the dire predictions seem much worse than the reality. But the fear of career consequences "leads to people clamming up and not speaking their minds," says Robbins. "And that's terrible."

At 37, Robbins is finally beginning to look a mere 10 years younger than he is. In his jeans, woolen sweater, salt-stained boots and gold-rimmed spectacles, he could slide easily into any graduate school seminar. He's too long-limbed, a lanky 6 feet 4 (1.93 meters), for the smallish hotel room chair he's sitting in; his knees hover above his waist. Maybe because he's blessed or cursed with that uncreased face and those mischievous eyes, or because he was introduced to most moviegoers as a memorably goofy ballplayer in 1988's "Bull Durham," he sometimes surprises people with his seriousness.

For instance, Sister Helen Prejean, the nun whose experiences with death row convicts in Louisiana are chronicled in her book "Dead Man Walking," doesn't see a lot of movies. When Sarandon, in New Orleans shooting "The Client," was to meet her to discuss the book, Prejean had to hastily rent "Thelma and Louise" to know who this actress was. (And, having mixed up the stars, she worried that it might prove a stretch for a middle-aged member of the Sisters of Saint Joseph of Medaille to be played by Geena Davis.)

Then, after Sarandon asked whether she might show the book to "Tim," Prejean and a pal quickly rented "Bull Durham." Her friend was aghast: the potent story of a religious woman who befriends a condemned man, written and directed by "that pitcher guy with the garter belt"?

But of course, that guy with the garter belt was Nuke LaLoosh. Tim Robbins is different. When Prejean met with Sarandon (who did ultimately play her in the film) and Robbins in their loft here in Chelsea, "I went, 'Hmmm, he reads and he thinks.'"

Even those who know Robbins as a serious and involved person — he is, for instance, co-founder, artistic director and major patron of the Actors' Gang, a 15-year-old Los Angeles theater troupe specializing in the provocative — may be startled by another aspect of "Dead Man Walking." If Robbins is so vocal about politics, why is his film about a powder-keg topic so determinedly evenhanded? The film critic of the Wall Street Journal actually paused in his praise to note that the movie "leaves you wondering what Mr. Robbins really thought of his subject, or whether he found himself too conflicted by its moral and ethical implications to draw clear conclusions, let alone to work up a polemic lather."

That's partly because Robbins didn't want to make a polemic. "I didn't want to get into a situation where a charming, likable guy is going to be executed, and he's probably innocent. That's a simple question to ask," he says. Instead, the audience encounters a murderer (a conflation of two convicts in Prejean's book) who's bigoted, guilty, unrepentant — and unflinchingly played by Sean Penn. "The profound moral question is," Robbins says, "can we kill anybody?"

Great weight is given, too, to the suffering of the crime victims' families. "I wanted to do what the book did for me — take us into the victims' homes and treat them with respect and dignity," Robbins says. "They're consumed with grief and often feel that their responsibility to their loved ones is to seek retribution" via capital punishment.

But if the film is ultimately more moving than a polemic might be, it also reflects some uncertainty on Robbins's part. He has thought about this. "It's very human to want revenge. It's not us at our most evolved, our finest hour, but it's a human truth."

Can he honestly say, as Prejean avows in her book, that "if I were to be murdered I would not want my murderer executed"? Robbins first disputes that that's Prejean's position; then, when her sentence is read from the paperback, he shifts a bit in the too-small chair. "Yes, in theory," he says after a minute. "I could tell you yes, but I haven't been through it. . . . I know that in the moment, I'd be capable of avenging a death."

WEATHER

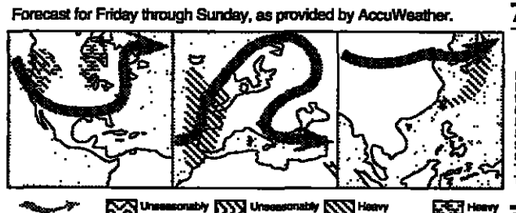
Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	14/57	11/52 sh	14/57	9/48 r
Amsterdam	6/43	4/39 r	7/44	3/37 pc
Ankara	2/35	-2/29 sn	3/37	-5/22 sn
Athens	7/44	4/39 r	11/52	5/41 c
Barcelona	13/55	5/43 c	12/53	6/43 c
Belgrade	2/35	-4/25 s	4/39	-3/27 pc
Berlin	4/39	0/32 r	4/39	-2/28 pc
Brussels	7/44	3/37 pc	7/44	3/37 pc
Budapest	3/37	-2/29 pc	3/37	-2/29 pc
Copenhagen	3/37	-1/31 r	4/39	-1/31 pc
Costa Del Sol	15/59	12/53 r	14/57	8/46 sh
Dublin	11/52	4/39 pc	9/48	2/35 r
Edinburgh	8/46	6/43 r	9/48	8/43 c
Florence	11/52	1/34 s	12/53	3/37 s
Frankfurt	4/39	0/32 pc	4/39	-2/29 c
Geneva	6/43	1/34 c	6/43	1/34 pc
Helsinki	0/32	-3/27 sn	-2/29	-8/22 sn
Istanbul	6/43	3/37 r	7/44	2/35 c
Las Palmas	19/66	15/59 c	20/68	14/57 c
Lisbon	13/55	11/52 r	13/55	8/46 t
London	11/52	5/41 s	10/50	5/41 pc
Madrid	9/48	4/39 r	8/46	2/35 sh
Milan	7/44	-2/29 s	7/44	1/34 pc
Moscow	-7/20	-11/13 c	-7/20	-12/11 c
Munich	6/43	-3/27 s	3/37	-3/27 sn
Nice	14/57	1/34 s	15/59	8/43 s
Oslo	1/34	-5/24 c	1/34	-4/25 pc
Mallorca	12/53	7/44 c	11/52	7/44 c
Paris	9/48	3/37 s	8/46	3/37 pc
Prague	4/39	-4/25 s	2/35	-4/25 c
Reykjavik	2/35	1/34 r	1/34	-4/25 sl
Rome	12/53	1/34 s	13/55	3/37 s
St. Petersburg	-4/25	-8/18 c	-5/24	-10/15 sn
Stockholm	1/34	-5/23 c	-1/31	-4/25 sn
Strasbourg	7/44	1/34 s	5/41	0/32 sn
Tallinn	-1/31	-3/27 sn	-1/31	-6/22 sn
Venice	8/46	1/34 s	8/46	2/35 pc
Vienna	4/39	-3/27 s	2/35	-3/27 c
Warsaw	2/35	-4/25 s	-1/31	-4/25 sn
Zurich	6/43	-1/31 pc	4/39	-1/31 sn

Oceania

Auckland	24/75	16/61 pc	23/73	15/59 pc
Sydney	27/80	21/70 pc	27/80	20/68 pc

Forecast for Friday through Sunday, as provided by AccuWeather.



North America
Springlike warmth along with rain and even thunderstorms may cause flooding in the East on Friday. The weekend will be colder. Snow and strong winds will accompany a sudden cold snap in Chicago and Toronto. Wind, rain and thunderstorms will lash the West Coast.

Europe
London and Paris will be breezy and mild over the weekend with a few showers. Rain, some of it heavy, will spread across Portugal and into Spain over the weekend. Generally dry weather is expected in Italy and Germany, but some snow showers will be scattered from Poland through Romania.

Asia
Rain will dampen parts of Japan Friday into Saturday. Generally dry weather is expected in South and North Korea, Beijing and Shanghai. Showers will reach from Taiwan westward into interior southern China, but just a few showers will be scattered around Hong Kong.

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	19/66	16/64 r	21/70	16/64 r
Beirut	14/57	12/53 sh	14/57	10/50 sh
Cairo	12/53	7/44 c	13/55	6/43 c
Damascus	9/46	4/39 sh	8/46	2/35 r
Jerusalem	9/48	6/46 sh	10/50	6/43 r
Luxor	18/64	2/35 s	22/71	2/35 s
Riyadh	19/66	9/48 pc	25/77	10/50 s

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	16/61	11/52 c	14/57	10/50 sh
Cape Town	28/82	21/70 s	25/77	17/62 pc
Casablanca	14/57	9/48 r	14/57	8/43 r
Harare	21/70	9/48 pc	22/71	8/46 pc
Lagos	31/88	24/75 pc	31/88	24/75 pc
Nairobi	21/70	10/50 r	24/75	11/52 c
Tunis	14/57	4/39 pc	14/57	4/39 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bangkok	32/89	21/70 c	34/93	22/71 c
Beijing	1/34	-13/9 s	1/34	-11/13 s
Hong Kong	19/66	15/59 c	21/70	15/59 pc
Manila	30/86	22/71 c	31/88	24/75 c
New Delhi	21/70	3/37 s	20/79	7/44 s
Seoul	-1/31	-9/16 pc	3/37	-9/16 pc
Shanghai	5/41	5/41 r	7/44	3/37 r
Singapore	28/82	24/75 c	28/82	24/75 pc
Taipei	21/70	18/61 c	23/73	15/59 t
Tokyo	8/46	2/35 r	11/52	2/35 pc

Latin America

Buenos Aires	27/80	14/57 pc	29/84	18/64 pc
Caracas	29/82	18/64 pc	29/84	17/62 pc
Lima	24/75	19/66 pc	24/75	20/68 pc
Mexico City	23/73	7/44 pc	22/71	7/44 pc
Rio de Janeiro	29/84	23/73 pc	29/84	23/73 pc
Santiago	27/80	11/52 s	28/79	8/46 pc

North America

Anchorage	-8/18	-1/58 c	-8/18	-1/72 pc
Atlanta	18/66	11/52 pc	17/62	7/44 r
Boston	8/46	1/34 c	7/44	1/34 c
Chicago	6/43	-4/25 c	-2/29	-13/9 sn
Denver	4/39	-7/20 c	-5/24	-14/7 pc
Detroit	6/43	-1/31 c	3/37	-4/25 r
Honolulu	29/84	21/70 pc	27/80	19/66 pc
Houston	23/73	17/62 pc	23/73	2/35 pc
Los Angeles	19/66	10/50 pc	20/68	11/52 pc
Miami	26/79	18/64 pc	26/82	21/70 pc
Minneapolis	-1/31	-8/18 sn	-8/18	-21/-5 sl
Montreal	4/39	0/32 c	5/41	-5/24 c
Nassau	27/80	20/68 pc	28/82	21/70 pc
New York	9/48	3/37 c	11/52	7/44 c
Phoenix	20/68	9/48 pc	21/70	8/46 pc
San Fran.	14/57	9/48 c	12/53	9/48 c
Seattle	4/39	-1/31 c	2/35	-1/31 sh
Toronto	4/39	3/37 c	4/39	-3/27 r
Vancouver	4/39	-2/29 sn	4/39	-1/31 sn
Washington	10/50	6/43 pc	13/55	8/46 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather All maps, forecasts and data provided by AccuWeather, Inc. © 1996

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	70	90	Good	Open	Var	12/1	*fully open, good skiing*
Soldeu	30	100	Good	Open	Var	11/1	*most runs open, good skiing*
Austria							
Ischgl	25	90	Hard	Open	Pckd	31/12	*41 lifts open, snow hardpacked*
Hintertux	15	190	Fair	Closed	Var	1/1	*17 lifts open, glacier still good*
Kitzbuhel	10	70	Icy	Closed	crust	8/1	*55/84 lifts open, mixed conditions*
Lech	40	85	Fair	worn	Var	1/1	*34 lifts open, high runs enjoyable*
Obergurgl	50	100	Fair	Open	Pckd	8/1	*22 lifts open, pistours working hard*
Saalbach	25	55	worn	Art	Pckd	8/1	*60 lifts, snow machines topping up*
Schladming	25	40	Fair	Art	Var	8/1	*all lifts open, hardpacked on piste*
St. Anton	10	135	Fair	worn	Var	7/1	*all lifts open, north facing runs best*
Canada							
Lake Louise	145	215	Good	Open	Pwdr	16/1	*all 12 lifts open, fabulous skiing*
Whistler	85	210	Good	Open	Pwdr	16/1	*25/26 lifts open, superb skiing*
France							
Alpe d'Huez	70	220	Good	Open	Var	12/1	*73/82 lifts open, good above 1700m*
Avoriaz	100	135	Good	Open	Var	7/1	*43/49 lifts open, mostly good*
Chamonix	10	185	Good	poor	Var	7/1	*49/82 lifts, best on grands montets*
Courchevel	50	85	Fair	Open	Pckd	7/1	*61/68 lifts open, best above 1850m*
Les Deux Alpes	30	270	Good	Open	Var	12/1	*45/83 lifts, most good, odd icy spot*
Méribel	20	80	Fair	worn	Hard	7/1	*all 57 lifts open, best above 2000m*
La Plagne	55	135	Fair	worn	Var	7/1	*102/112 lifts open, runs still ok*
Tignes	75	130	Good	Open	Var	12/1	*41/49 lifts open, good skiing*
Val d'Isère	60	120	Good	worn	Var	7/1	*48/51 lifts open, runs good*
Val Thorens	75	120	Good	Open	Var	12/1	*all lifts open, good, odd worn spot*
Germany							
Berchtesgaden	20	70	Fair	Closed	Var	8/1	*all 31 lifts open, pistes still ok*
Garmisch	5	210	Fair	Closed	Var	8/1	*35 lifts open, best on Zugspitze*
Italy							
Bormio	30	85	Fair	Open	Var	12/1	*15/16 lifts and all 25km open*
Cervinia	120	280	Good	Open	Pckd	12/1	*all 25 lifts open, great skiing*
Cortina	20	70	Fair	Some	Pckd	7/1	*most lifts open, best above 1800m*
Courmayeur	45	120	Good	Closed	Pckd	12/1	*21/23 lifts open, good, odd icy patch*
Livigno	50	70	Good	Open	Var	11/1	*all 30 lifts open, mostly good, cold*
Norway							
Geilo	50	55	Good	Open	Pckd	13/1	*11/18 lifts open, good on open runs*
Spain							
La Molina	35	100	Good	Open	Var	11/1	*all 11 lifts open, good skiing*
Switzerland							
Champery	0	80	Fair	Closed	Hard	7/1	*all lifts open, good skiing available*
Crans Montana	0	110	worn	Closed	Var	7/1	*39/42 lifts open, best on glacier*
Davos	20	80	Fair	Open	Var	7/1	*51/55 lifts open, pistes still ok*
Grindelwald	0	40	Fair	Closed	Hard	7/1	*most lifts open, runs now wearing*
Klosters	20	80	Fair	Open	Var	8/1	*51/55 lifts open, parsean pistes best*
St. Moritz	40	80	Good	Open	Var	11/1	*all 24 lifts open, good skiing*
Verbier	75	100	Fair	worn	Var	7/1	*33/39 lifts open, high runs ok,rocky*
Wengen	5	35	Fair	Closed	Var	7/1	*20/23 lifts open, high pistes ok*
Zermatt	15	110	Fair	Art	Var	11/1	*most lifts open, good ski available*
U.S.							
Breckenridge	145	190	Good	Open	Pckd	11/1	*17 lifts and 122 runs open*
Crested Butte	75	95	Good	Open	Pckd	10/1	*12/13 lifts open, good skiing*
Keystone	150	185	Good	Open	Pckd	11/1	*17 lifts and 90 runs open*
Mammoth	60	180	Good	Open	Pwdr	17/1	*fresh snow, great prospects*
Park City	70	120	Good	Open	Pckd	10/1	*14/14 lifts and 74 runs open*
Telluride	95	100	Good	Open	Pckd	10/1	*all 10 lifts open*
Vail	119	178	Good	Open	Pckd	17/1	*25 lifts and 4112 acres open*

Key: L,U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow.

Reports supplied by the Ski Club of Great Britain.

PEOPLE

THE Duchess of York says she is cutting back sharply on expenditures, and British tabloids on Wednesday described her as a lady deeply in the red. Buckingham Palace said Queen Elizabeth II was not prepared to bail out her daughter-in-law. "No," a palace spokesman said. "These are matters which the Duchess of York must discuss and resolve with her bankers and other financial advisers." The Sun and Daily Mirror, Britain's two largest-selling newspapers, claimed that the estranged wife of Prince Andrew had debts of £1 million ($1.55 million). The duchess, reacting to the reports, told another tabloid, the Daily Express, "My money is my business. The truth is I am making cutbacks, huge ones." The duchess, who has daughters of 5 and 7, receives an allowance from her husband and royalties from children's books she wrote about "Budgie the Helicopter" but that has not been enough.

□

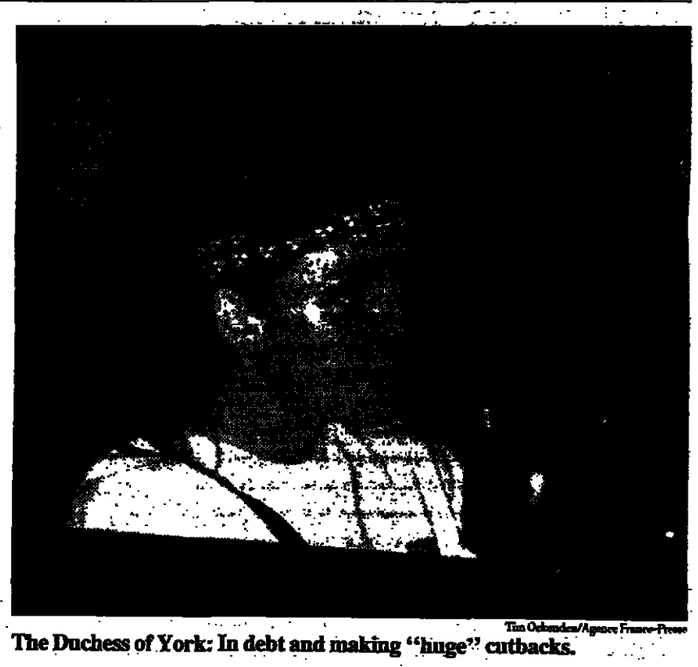
Samovars, red banquettes and other fixtures from the Russian Tea Room in New York sold for $362,382 as the new owner prepared for rebuilding. But fans of the celebrity haunt should not fear, because the best of the furniture and art was saved, said a spokesman for the owner, Warner LeRoy. LeRoy bought the 69-year-old tea room next to Carnegie Hall last year. It closed on Dec. 31, and LeRoy plans to demolish the five-story building and start over. The restaurant has long been a celebrity hangout; Dustin Hoffman, Woody Allen, Michael Douglas and Sydney Poitier are among its regulars.

□

A fire destroyed the Connecticut country home of Peter Martins, artistic director of the New York City Ballet, and his wife, Darci Kistler, a principal dancer with the company. A spokesman for the company said, "They escaped safely but they did have some minor burns. Nothing was saved." The two are expecting their first child.

□

Sidelined by the flu, George Burns missed his 100th birthday bash but marked the occasion by helping medical research. The dinner went on, highlighted by Burns's donation — an undisclosed amount — for the creation of the George Burns and Gracie Allen Research Institute at Cedars-Sinai Medical Center in Los Angeles. Burns, whose actual birthday is Saturday, has been in frail health since he fell in his bathtub in 1994, but his humor is intact. "As this big day came closer and closer, people kept asking me what I would like for my 100th birthday," he said in a statement. "What do you give a man who's been so blessed? Another 100 years? A night with Sharon Stone?"


Tim Ockenden/Agence France-Presse

The Duchess of York: In debt and making "huge" cutbacks.

□

Salman Rushdie, the world's most visibly invisible literary figure, hit Washington on Wednesday and was to speak at the National Press Club to an expected crowd of 500. (That would be a good draw: Henry Kissinger brought in about 400.) Rushdie has been touring the world promoting his well-reviewed novel, "The Moor's Last Sigh."

□

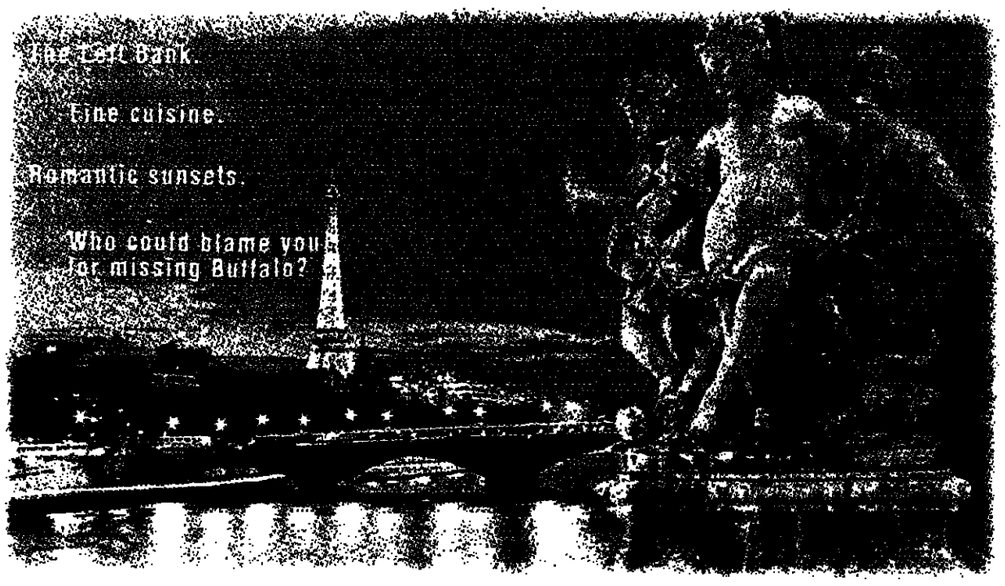
Johnny Carson, the former "Tonight Show," host gave $1 million to help build a learning center serving the Nebraska region where he grew up. The $2.5 million Lifelong Learning Center will use satellite technology and other technical developments to offer college degrees and job training. Carson has donated hundreds of thousands of dollars to a radiation center at Lutheran Hospital and a theater that bears his name at Norfolk High School.

□

The actress Jeanne Moreau has announced plans for her third directorial venture, which will be based on a story by Joyce Carol Oates and produced by Ismail Merchant and James Ivory.

□

The six-week-old marriage of the former Ivana Trump to the Italian tycoon Riccardo Mazzucchelli is apparently going through a rough patch, judging by the constant bickering their friends have witnessed. The reason for the disagreements, the friends said, is money: the same issue that had delayed their wedding until they settled on a prenuptial agreement.



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